

**TEXT CROSS
WITHIN THE
BOOK ONLY**

UNIVERSAL
LIBRARY

OU_160536

UNIVERSAL
LIBRARY

TRADE UNIONS FIGHT—
FOR WHAT ?

By the Same Author

COAL WAR IN BRITAIN (published only in U.S.A.)

J. RAMSAY MACDONALD : A BIOGRAPHICAL ESSAY

BOOK OF THE LABOUR PARTY (3 vols.)

THE BRITISH PRESS—A SURVEY

SEVENTY YEARS OF TRADE UNIONISM

—AND NUMEROUS PAMPHLETS

TRADE UNIONS FIGHT— FOR WHAT ?

By
HERBERT TRACEY

With a Critical Foreword

By
GEORGE GIBSON
Chairman of the T U C General Council

LONDON
GEORGE ROUTLEDGE & SONS LTD.
BROADWAY HOUSE : 68-74 CARTER LANE, E.C.

First published, 1940

—

Printed in Great Britain by Butler & Tanner Ltd., Frome and London

When bad men conspire
Good men must combine.

EDMUND BURKE.

The interest of history lies not least in this, that it shows us how men have at different times entertained wholly different notions respecting the relation to one another of the same ideas or the same institutions.

JAMES BRYCE, *Holy Roman Empire*.

CONTENTS

CHAP.	PAGE
CRITICAL FOREWORD, <i>by</i> GEORGE GIBSON, CHAIRMAN OF THE TUC GENERAL COUNCIL	9
AUTHOR'S FOREWORD	21
1. WHEN FREEDOM FALTERED	27
I. Why Labour Makes War. II. The Attack on Working-Class Organization. III. Labour's Full Partnership in the War. IV. The Nazi-Fascist Counter-Revolution. V. New Phases of Class Struggle.	
2. THE SUPPLY OF LABOUR	53
I. Experience Teaches. II. Reservation of Skilled Labour. III. First Approach to Trade Unions. IV. Voluntary Co-operation or Legal Recognition? V. The Joint Consultative Committee. VI. All Labour Under Control. VII. Co-ordination of Production. VIII. Registration and Regulation of Labour. IX. Wage Policy and Arbitration Machinery. X. Restoration of Pre-War Practices.	
3. ARMS AND MUNITIONS SUPPLY	104
I. Rearmament and Civil Defence. II. Co-ordina- tion of Defence. III. The "War Potential". IV. The TUC is Called In. V. A Ministry of Supply is formed. VI. Two Policies in Conflict. VII. Directives on Trade Union Representation. VIII. Trade Union Advisory Machinery. IX. Raw Materials Control.	

Contents

CHAP.	PAGE
4. FOOD AND FUEL CONTROL	148
I. The Lesson From History. II. Local Food Committees. III. Evolution of a Ministry. IV. The T U C Advisory Committee. V. Commodity Control System. VI. Control of Prices. VII. Trade Unions Share Control. VIII. Representation for Consumers and Producers. IX. Fuel Control Scheme. X. Miners in Scientific Research.	
5. TRADE UNIONS DISCOVER THEIR MISSION	191
I. Trade Unionism in Socialist Transition. II. Associated Labour in Production. III. When Freedom was Lost. IV. Errors of Practical Socialism. V. Real Mission of Trade Unionism.	

CRITICAL FOREWORD

BY GEORGE GIBSON

Chairman of the T U C General Council

WHEN the country is involved in a struggle for its existence, and a political truce is in being, this would not appear to be the most auspicious moment for the publication of a book which is critical of political ideas, provocative in its views and stimulating in its theories. But for the very reason that ordinary political platforms are silenced, there is justification for encouraging discussion, criticism and constructive thinking in so far as the Labour and Trade Union Movement is concerned. That is why I welcome the publication of this book.

There can be no question of the authoritative position which Herbert Tracey holds as a Labour publicist. He has been closely connected with the Labour Party press and publicity organization, and with T U C publicity ; and has had sole control of the latter since 1926—he has been at the head-

Critical Foreword

quarters of the Labour and Trade Union Movement as one of its principal officers for nearly a quarter of a century, i.e. 1917. He is an author of world-wide repute, specializing in social and economic history, and was a collaborator of the late Arthur Henderson for many years. Indeed he is a veritable Dr. Johnson of the Labour Movement. A contribution from his pen is, therefore, entitled to be treated with respect, and whether his views meet with agreement or dissent the present book is the work of a master hand, which should be read by every student of Labour politics and Trade Unionism.

For myself, I cannot say that I accept Tracey's theses completely. In his initial chapter he develops, with faithful adherence to facts and documented history, the conversion of Labour opinion from a pacifist outlook to the view that Nazi-Fascist Dictatorship could only be restrained by a superior organization of force. He traces the Nazi-Fascist Dictatorship to its origins in a counter-revolutionary movement. There he finds the clue to all the decisions of our organized movement on policy and action, both in the period of undeclared war and since the war began. And there I am in agreement with him.

Critical Foreword

In my view, however, Tracey is unduly tender in his treatment of the Chamberlain Cabinet in the period when the Trade Union Movement was making its approaches, offering its assistance, and making constructive suggestions for organizing the production of armaments. I do not hesitate to say that when the history of this period comes to be written people will stand amazed at the incompetence—and worse—of some of the Ministers with whom the Trade Union Movement was called upon to deal. Cabinet Ministers do not wear uniform in the sense that we recognize brass hats and brass buttons as uniform. But Ministers too frequently arm themselves with an air of Olympian aloofness which can only be construed as wisdom because it conceals, in most cases, utter ignorance of the elements of the problems which they are called upon to handle. That, at least, was the impression I personally gained from some of the interviews with Ministers in the Chamberlain Cabinet in the years immediately preceding the declaration of war.

Tracey's history, in the second chapter, on the Supply of Labour, is a document of extreme importance. It sets forth in detail the historical approach of the Trade Union

Critical Foreword

Movement to complete understanding and collaboration with the Government in the production of armaments. His narrative makes it clear that our Trade Union Movement and the nation owe a great debt to the statesmanship of Sir Walter Citrine and (if I may say so) the members of the T U C General Council. Tracey makes it clear that Trade Union co-operation was extended only after guarantees had been given by the Prime Minister as to the free and equal terms on which advisory and consultative machinery was to be set up, and after Government Departments had been officially instructed by the Prime Minister that it was the Government's policy to enter into the closest relations with the Trade Unions and to consult with them on every matter of importance to the working people arising out of the War.

It is to be hoped that political historians will note the contents of Tracey's chapter on Arms and Munitions Supply. For four years before the outbreak of war, Trade Unions pressed upon the Government the desirability of complete and efficient organization of munitions production. About twelve months before the outbreak of war the Amalgamated

Critical Foreword

Engineering Union made representations to Sir Thomas Inskip (as he then was) on the utilization of machine tools. All these representations were, in the main, entirely without effect. If ever there was a case of a lath painted to look like steel that description could be applied to men then acting as Ministers. Tracey records the amazing fact that although the Government claimed that it was making immense efforts to produce arms and warlike stores for defence, yet it was not until March, 1938, that the T U C General Council was invited for the first time to meet the Prime Minister to discuss problems of arms production. Enough, however, of that.

The American Ambassador, Mr. Joseph Kennedy, in public speeches, and Mr. Kennedy's son in writing, tried to justify Munich on the ground that Britain was not prepared. In fact they were probably right. The reason for our state of unpreparedness seems explicitly due to two factors : one was sheer stupidity, the other, probably, was a belief, no doubt fostered by Ribbentrop, that Germany was arming to fight Soviet Russia, an eventuality which, in all probability, would not have been unwelcome to some who were then our Ministers.

Critical Foreword

Nor can the amazing neglect of the Chamberlain Government be justified by reference to the real position. It is within my knowledge that responsible British diplomats had been drawing attention to German armaments, and the dangers arising therefrom, certainly since 1934. Yet I imagine that Lord Runciman went on his errand to seek a settlement of the problem of Czecho-Slovakia without even consulting files which were in existence at the Foreign Office on the subject of his mission. It can easily be understood, therefore, why the political Labour Movement declined to take any part in a Coalition Government so long as Mr. Chamberlain was Prime Minister. These aspects of the general position are clearly displayed in Tracey's book.

It is true that following the first interview with Mr. Chamberlain as Prime Minister the Trade Union Movement gradually established its right to consultation, and finally was able to collaborate in the setting up of joint advisory committees. Here I think the reader should be reminded that the sole desire of the Trade Unions was to assist in providing the means of defence and to develop the organization of the country for the successful prosecution

Critical Foreword

of a war which, understanding better than most the attributes and aims of the Nazi-Fascist Dictatorship, the Unions saw to be inevitable. T U C policy was entirely consistent with the attitude of the Trade Unions, which, as Tracey points out, was the preservation of Trade Unionism as a foundation for "free speech, free press and for the right of public assembly, for free elections . . . The freedom and independence of the Unions would not be worth a day's purchase if these safeguards were destroyed".

It may be said with truth that in practice the advisory and consultative committees, whose origins and functions are described in this book, have not been invested with the authority which was anticipated. On the other hand, it is also true to say that, as advisory committees, their main job has been to keep Ministers and their permanent advisers on the rails, or to put them back on the rails when they have strayed. In the main the committees have been successful in that direction. War necessarily calls for rapid decisions, and it is not possible always to wait for discussion in committees. But so long as the committees are strong enough to correct mistakes, one need not cavil at energetic

Critical Foreword

direction by any Minister of his department of the nation's affairs.

Specifically, I might refer to the Advisory Committee to the Ministry of Food in which I am myself affected. We found very often that decisions had been taken without reference to our Committee, and we were faced, when we met the Minister, with a *fait accompli*. But on the whole our representations met with reasonable consideration, and I believe, broadly speaking, that the rationing system has worked fairly—my only criticism being, not against the Food Ministry, but against the Government, whose Purchase Tax is, in my view, an ineffective substitute for an efficient rationing system, and a method which gives, as too often is the case, preferential treatment to the moneyed classes as against those whose incomes barely cover essential needs.

It is in his final chapter, headed "Trade Unions Discover Their Mission" that Herbert Tracey really lets himself go on the problems of Socialist Transition, and theorizes about the ultimate part the Trade Unions may have to play in the development of the Socialist State and the conduct of socialized industry. This chapter will unquestionably be the subject of a considerable amount of controversy. Tracey

Critical Foreword

argues in support of workers' control, to which he attaches the meaning of Trade Union participation in management, almost to the extent of Syndicalism. He refers to the "timid and tentative exercise of authority" by the British Trade Unions, "in comparison with what Trade Unions have undertaken to do under revolutionary conditions in some other countries". I do not think his comparisons help his analysis. The collectivized economy of Republican Spain and Catalonia, and developments of Union control in Mexico, did not succeed; and whilst in Spain workers' control passed away because of counter-revolution, in Mexico and in Russia workers' control has been reduced to the minimum in the interests, as the Governments of those countries themselves say, of more efficient production.

The "Plumb Plan", to which Tracey refers as having been accepted by the railroad Brotherhoods and endorsed by the 1921 Convention of the American Federation of Labor, did not get beyond that stage. For myself, whilst I welcome every extension of workers' control in industry, I do not believe that it can be successfully applied until we have a considerable reorganization of the Trade Union Movement. I consider such reorganization a

Critical Foreword

condition precedent to any effective system of workers' control. One may refer back to the Plumb Plan instanced by Tracey. The control of railway administration by Trade Unions, if separated from the interests of the ordinary citizen, could result in putting employees in such an industry in a privileged position as compared with the rest of industry. A corollary of successful workers' control must in my view be the reorganization of Unions on a functional basis. That would not necessarily mean the disappearance of craft Unions as wage-fixing bodies. But it *would* mean for constructive, legislative, and administrative purposes either condominiums of Unions, or, what is more probable—the transfer of considerably greater powers than they now possess to the General Council of the Trades Union Congress; aye, and the scientific development of the group system of organization and representation within the Congress. And probably it would mean also the fulfilment of the late S. G. Hobson's dream of a House of Industry wherein the conflicting claims of industry can be sorted out, adjudicated upon, and adjusted.

That the Trades Union Congress may attain a status of authority sufficient to assume this

Critical Foreword

position seems quite possible. One of the most striking features of recent years, indirectly a confirmation of Tracey's thesis, is the affiliation to Congress of bodies of professional employees, technicians and administrative workers, such as the Bank Officers' Guild, the Medical Practitioners, the Guild of Insurance Officials and the reaffiliation of the National Union of Journalists ; perhaps even more significant is the affiliation of a Union of Navigators and Engineering Officers.

The Trade Union Movement must beware, however, of the bureaucratic tendency exhibited even by Socialist Ministers to evade workers' control in any form, by the setting up of such public utility corporations, as the London Passenger Transport Board, the Central Electricity Board and other bodies. The extension of disinterested control in the public interest by this method may be accepted as socially desirable, but certainly not when commercial rates of interest are attached to gilt-edged securities ; and in any case no public utility corporation should be set up without an overriding interest on the governing Board secured through the appointment of responsible trade unionists connected with the industry or profession concerned.

Critical Foreword

Lastly I would say that the Trade Unions themselves are as yet a very imperfect form of organization, and are not what they should be as mediums of expression. But I say that not as a critic of the Unions, or of the administrative officers of the Unions, so much as of the Union membership who are too often merely concerned with the economics of their own industry and with the amount of their weekly wages as measured in shillings. They are not as much concerned as they should be, and as Tracey suggests they will be, with constructive reorganization for the control of production and distribution of the potential riches which are, in this modern age, available to society in illimitable quantities.

I commend the book to everyone who is interested in political discussion and the dynamics of social progress. If it encourages controversy and constructive thinking, as indeed it must do, it will serve a valuable purpose.

AUTHOR'S FOREWORD

FACTS and theories are combined in this book in a manner which calls for explanation. Its main sections are simply a description of the machinery of consultation which the Trade Unions have co-operated with the Government and organized employers in setting up for the control and management of industry during the War, and for the guidance of social policy under war conditions. How labour is regulated and the nation's resources of man-power are conserved, how the production of arms and warlike stores is carried on, and how the Government's control of food and fuel supplies, prices and distribution of commodities, actually works, are questions of common interest. They are dealt with in the main chapters of this book as matters of fact : but the facts are set forth not schematically but in their historical setting, in order to show how the Trade Unions became associated with the management of these affairs. It was in obedience to no preconceived plan that the Unions

Author's Foreword

entered into these relations. They were arrangements mostly improvised upon the spur of the moment which gave effect to the Government's decision to come to an understanding with the Unions and to carry on the work of the Departments concerned with the direction of the nation's war effort in the closest possible co-operation with the Unions.

It is in discussion of the implications of that immensely important and novel decision of policy that this otherwise sober recital of accomplished things sails into the air from the solid ground of fact. An introductory section, therefore, offers a Trade Union explanation of the War as a conflict of social forces working for freedom with forces which are striving to reduce the people once more to slavery. Trade unionists and Socialists in this section are shown to have accepted reluctantly the necessity of modifying their traditional opposition to war and armaments. Their changed attitude is explained as their response to the attempt of the Nazi-Fascist Dictatorship to destroy by violence the foundations of working-class freedom. Alongside the reality of the servile State as it actually exists to-day in Germany and Italy as the product of the authoritarian ideology, this

Author's Foreword

introductory section sets the pattern of a free society in which authority is not arrogated by the Totalitarian State but is diffused among the general body of citizens, habituated to the practice of self-government by the discipline of democratic institutions and the growth of their voluntary associations.

Fascism is interpreted in this section as a counter-revolution. It is presented as a movement to restore the foundations of economic and political privilege, riven by the living force of working-class organization as it has developed within the framework of the capitalist order. A blunt way of stating the thesis is that trade unionists and Socialists have rejected the Nazi-Fascist solution of the class struggle, even though it means war : they are fighting, literally to the death, for an exactly opposite way of life, which they see, perhaps only dimly as yet, to lie in the direction their organized movement has taken to create through class struggle the conditions of a classless society.

The middle sections of the book show in what direction the Trade Unions are moving. The machinery of consultation and co-operation brought into existence, most of it since the War began, presents a somewhat disorderly appearance in these pages : it is improvised

Author's Foreword

machinery to a very large extent : councils, committees, boards, panels, tribunals, may seem to jostle one another in the record, and some of them perhaps appear, disappear and reappear without much explanation. But they all serve the same consultative and advisory purposes, and some of them are seen to have developed also executive and administrative functions. Most of them came into existence in obedience to the Government's injunction to the public departments and to industry that the Trade Unions must be brought into an active association with every development of the national war effort.

The last section of the book seeks to relate these war-time developments of Trade Union policy and action to the historical aims of Trade Unionism. The discussion here becomes frankly controversial, since it starts from an assertion which most Socialists and trade unionists, too, may find it difficult to accept : that the Trade Unions have been diverted to some extent from their true path of development to conquer political power before they had built up the organization which could take over an ever-enlarging responsibility for the control and management of industries and services which ripened for socialization. It is

Author's Foreword

perhaps only those Socialists who have a real Trade Union background and an intimate connection with Trade Union work who will give a cautious assent to the assertion that it would be a calamity from the working-class standpoint if the complete socialization of industry found the producing class unprepared to take over the productive forces of society. But that is the thesis of this book, and it is hoped that its main contentions are reinforced by evidence that the principle of voluntary association has operated amongst the workers at all times and places with the force of a natural law.

As an officer of the Trades Union Congress I must add that the book expresses my own views. It is not an exposition of T U C policy. My grateful thanks are due to colleagues at the T U C headquarters who have helped me by advice and criticism : errors and omissions in the book are my fault, not theirs.

HAMPTON WICK,

MIDDLESEX.

November, 1940.

I

WHEN FREEDOM FALTERED

I. WHY LABOUR MAKES WAR.

ON the day that Germany's armed forces entered Holland and Belgium representatives of the British Labour Movement entered the Government. To connect these two historical facts in anything but a relationship of time might seem to be to invest a minor political incident with the importance of a world-shaking event. Yet there is a deep-lying connection between them. It does not arise merely because they both happened on the same day. It has nothing to do either with the coincidence of Hitler's invasion of the Low Countries with a crisis that only Labour's help could resolve, or with the fact that Labour's response was given under the stress of grave national emergency. It lies rather in the inner nature of the conflict in which the Nazi-Fascist Dictatorship has involved the British people.

Trade Unions Fight—For What?

The issues of this conflict were defined for British Labour long before the War began, and long before they became apparent to the world at large. They were clearly perceived when Fascism made its appearance in Italy, years before Hitler in Munich raised the German National-Socialist Party to a position of power. Mussolini's "Blackshirt" movement created its first pseudo-Trade Union organization in 1920, calling it the Italian Confederation of Economic Syndicates, and affirming as its first principle the solidarity of capital and labour. Mussolini made his first speech in the Italian Chamber as leader of the Fascist deputies in 1921, proclaiming that "the true story of capitalism is now beginning, because capitalism is not a system of oppression only, but is also a selection of values, a co-ordination of hierarchies". He used in 1922 his army of Blackshirts, 400,000 strong, to break by violence the general strike of Italian workers, to sabotage the local public administration of Socialist councillors and to occupy the city halls by armed force. In the autumn of the same year his Blackshirts seized control of Italy by the same methods of violence and Mussolini became Prime Minister at the head of a coalition Cabinet sustained by

When Freedom Faltered

the reactionary parties of the Right. Fascist terrorism was revealed in acts of brutality during the general election of 1923 which Mussolini later condoned, as he did the murder of Giacomo Matteotti in 1924, by the suppression of the anti-Fascist bloc of political parties and the assumption of the powers of a Dictator.

British trade unionists never had the least illusion about the meaning of these events. As long ago as 1924 their representatives at the third International Trades Union Congress joined in denouncing Fascism as "a weapon of international capitalism" and declared their active sympathy with the victims of capitalist oppression: "in particular, the Italian proletariat, whose Trade Union activities for the guaranteeing of appropriate wages and working conditions have been made impossible by the Fascist reaction". They saw with equal insight what Hitler's National-Socialist Party signified for the German working-class. On the eve of the German elections in July 1932, when the Nazi Party polled 13 $\frac{3}{4}$ million votes and was still 5 millions short of a majority, the General Council of the Trades Union Congress, with the National Executive of the Labour Party and the

Trade Unions Fight—For What?

Executive Council of the Parliamentary Labour Party sent a message to the German Social Democratic Party, expressing “passionate interest and growing admiration” in the party’s fight for Socialism, Freedom and Peace :

We have watched with deep concern [said this message] the menacing advance of your enemies, who are the enemies of us all. The hardly-won achievements of the dead generations are challenged. With unfaltering courage and indomitable spirit you have striven to stem the turbulent flow of Fascist reaction, which is threatening to submerge the young Republic and drive the German people back to spiritual, political and economic servitude.

It was not simply the perfidies and cruelties of the Nazi-Fascist movement in European politics, not its crimes alone, but its open avowal of a purpose wholly irreconcilable with the objectives of Trade Unionism and Socialism, with the preservation of democratic institutions and the maintenance of peace, which caused British trade unionists to make such declarations. Hitler’s dictatorship in Germany had been in existence for no more than nine months when the Trades Union Congress, assembled at Brighton in September 1933, focused the attention of the organized workers upon the new menace to their liberties. The Congress had before it a lengthy report

When Freedom Faltered

describing the rise of the Nazi movement, in which it was pointed out that Hitler employed the same technique in suppressing Trade Unions and workers' organizations that Mussolini used in Italy: "Both States have crushed ruthlessly all forms of independent organization whether political, economic or intellectual: industrial liberty is as non-existent as political liberty."

It was affirmed in this report that against the tyranny of Government and a return to economic servitude the institutions of free citizenship and the organizations of democracy are our strongest safeguards:

Free speech, free elections, the right of public assembly, and the right to organize for lawful ends are vitally important, not merely in the working of our political system but in the development of economic democracy and the maintenance and enlargement of the influence of the Trade Unions. The history of our working-class movement shows that freedom is not, as we are sometimes told, a bourgeois superstition: it has provided the conditions under which organization of the workers could be carried on, and in the long struggle to establish Trade Unionism on a sure foundation in this country those who built our movement in the past had to fight for free speech, for the free press, for the right of public assembly, for free elections, not for political reasons only, but because they were necessary to Trade Unionism and an essential part

Trade Unions Fight—For What?

of the effort to secure justice for the workers. The freedom and independence of the Unions would not be worth a day's purchase if these safeguards were destroyed.

II. THE ATTACK ON WORKING-CLASS ORGANIZATION.

This was said in September 1933. Two months later the Trade Unions in Germany were abolished by a Nazi Government decree. Events were thus proving what this report emphasized, that the strongest Trade Union organization is not invulnerable when the elementary rights of citizenship are taken away. Evidence was presented of the arrest of Trade Union leaders, among them the President and Vice-President of the German T U C (the German Federation of Trade Unions) ; of the raiding by armed men of the headquarters of Trade Unions and the offices of the Social Democratic Party ; of the confiscation of their funds and property ; the suppression of their newspapers and seizure of their printing presses ; and the proscription, imprisonment or exile of working-class leaders.

Further proof, grimmer and more tragic, was supplied by the forcible repression of the Trade Union movement in Austria, culminating in the terrible street-fighting in the working-

When Freedom Faltered

class quarters of Vienna in February 1934, that Fascism was bent on destroying the foundations of working-class freedom. The President of the Trades Union Congress in that year (at Weymouth in September 1934) rightly interpreted the feelings of trade unionists in saying that the enemy they had to fight was not only the visible dictatorships which had been founded, in convulsions of terror and bloodshed, upon the ruins of democratic institutions : “our real enemy is the state of mind, the reactionary temper, the reversion to policies and methods of Government which are a contradiction and a denial of our own, and are, indeed, an attempt to undo the work our movement has inspired and guided in the course of the last hundred years”.

Nor was the Trade Union and Labour Movement slow to perceive in the rise of the Dictatorships a menace to European peace. As trade unionists they were primarily concerned to recognize Dictatorship as a direct answer to organized Labour's growth in power and its steady progress towards a new social and economic order. But from 1933 onwards, official pronouncements of the movement's National Committees laid increasing emphasis upon the danger of war resulting

Trade Unions Fight—For What?

from the reversion to power politics by the Dictator States. In the breakdown of the World Disarmament Conference, the growing impotence of the League of Nations, and the resumption of the armament race the Movement's leaders saw the evidence of an inward deterioration of which successive acts of lawless violence by the aggressor Powers were the outward and visible sign. Under the compulsion of this worsening international situation the policy of organized Labour continued to be based upon the advocacy of the principles of collective security ; but along with it went a stronger insistence upon the necessity for measures of rearmament to equip the country for defence, to enable it to play its full part in a collective enforcement of international law, and to resist any intimidation by the Fascist Powers designed to frustrate the fulfilment of obligations undertaken by the British people to defend the territorial integrity and political independence of other peace-seeking nations.

A reasoned statement of Labour's international policy and its view of the problem of national defence was drawn up in 1937. It was discussed by both the Trades Union Congress and the Annual Conference of the

When Freedom Faltered

Labour Party in that year with a clear perception that it marked a change in the attitude of organized Labour towards rearmament. The traditional policy of the international Labour Movement was to oppose armaments and to refuse to vote credits in Parliament for expenditure on warlike purposes. The reasoning behind this policy can be incisively summarized in a prophetic passage from a speech made by Jean Jaurés in 1905 :

Out of a European war [said Jaurés] revolution might come ; and the governing classes would do well to ponder over that—but there might also come, for a long period, crises of counter-revolution, violent reaction, exasperated nationalism, stifling dictatorship, exaggerated militarism, a long chain of retrogressive violence, base hatred, reprisal and slavery. And, as for us, we have no wish to play at this game of barbarous chance.¹

The argument was reinforced in 1931 by Jaurés's successor in the leadership of the French Socialist Party, Léon Blum. He pointed out that before the Great War there existed only one autocratic Government in Europe, the Government of the Tsar. The German empire, he said, although ruled by a

¹ Quoted by George Lansbury in the debate on " International Policy and Defence " at the Labour Party Conference, Bournemouth, 1937.

Trade Unions Fight—For What?

strict military discipline, possessed the freedom of the press, freedom of Trade Union organization, the elements of parliamentary freedom : “ To-day, the Centre, South and East of Europe are more than half covered by States dominated by police and military despotism.” ¹

From such arguments, some sections of the British Labour Party drew the conclusion that it was necessary to oppose all wars, to vote against credits for arms expenditure, and to strive for peace through international understanding and injustice between nations, accepting the risks of national destruction through the aggression of militarist States. Although this view was courageously and plainly stated in the discussions upon the Statement on International Policy and Defence it failed to command general assent in either the Conference of the Labour Party or the Trades Union Congress. Linked with a firm denial that Labour’s foreign policy was in any sense changed, there was in the document itself and in the speeches of those who supported it a frank recognition of the fact that a democratic nation could not, by unilateral

¹ Quoted by George Lansbury in the debate on “ International Policy and Defence ” at the Labour Party Conference, Bournemouth, 1937.

When Freedom Faltered

disarmament, leave the world at the mercy of lawless force, and that rearmament was a necessity of the international situation which had arisen from the failure of Governments over a long period to apply through the League of Nations a collective restraint upon aggressor Powers. Accordingly, the Statement on International Policy and Defence was adopted by both of the national assemblies, by overwhelming majorities, as a declaration of the Labour Movement's policy.

III. LABOUR'S FULL PARTNERSHIP IN THE WAR.

Inevitably, as rearmament proceeded and successive violations of international law by the Nazi and Fascist Powers intensified the dangers of war, Labour policy in opposition to the "National" Government assumed an aspect of ambiguity and indeed of paradox. The Labour Party in Parliament was placed in the difficult position of having to urge rearmament in furtherance of a view of the international situation which made armaments necessary, but of withholding support from the Government when its co-operation was invited on the plea of national danger. But this dilemma was not a real one. The Trade Unions contri-

Trade Unions Fight—For What?

buted to a solution of the difficulty by treating rearmament as a practical question which could not be effectively handled without their help.

So, by logical steps, the Labour Movement came to its decision. Until war came finally, in a tremendous onslaught of the Nazi Power which overwhelmed the defences of Britain's allies, the Labour Party could and did hold aloof from the Government. Events forced a political decision, in line with the decision already taken by the Unions, when the Government's feeble and languid conduct of the war brought one disaster after another upon the allied nations and revealed grave deficiencies in the organization and management of the industrial effort called for by a sequence of heavy military reverses. Labour's political leaders then undertook with the full assent of their Trade Union colleagues to share responsibility—in the words of the resolution adopted by the Conference of the Labour Party at Bournemouth in May 1940—"as a full partner in a new Government which, under a new Prime Minister, commands the confidence of the nation". By the terms of this resolution the Labour Movement stood pledged to support the new Government in its effort "to secure a swift victory and a just peace".

When Freedom Faltered

The practical consequences of this decision find emphasis in the description which follows of the way in which the Trade Union and Labour Movement lent its aid in the organization of the nation for war. But before entering upon an exposition of the new relationships of the Trade Unions with the governing powers in politics and industry, the Trade Union view of the ultimate issues at stake in the great conflict in which they have become so deeply implicated requires some further elucidation. Its intention is to show that the Unions are defending in this war the principles of a social and economic order which are the antithesis of those embodied in the system of government that the Nazi-Fascist Dictatorship is ruthlessly striving to impose upon the world. A passage in the address of the President of the Trades Union Congress in September 1939, delivered only twenty-four hours after the British Government announced that "a state of war" had arisen with Germany, asserted the view that trade unionism has vindicated in its own sphere a method of voluntary co-operation which is valid for nations in their relations with one another, as for classes or organized groups within a nation. In the recovery of that spirit of co-operation in free association,

Trade Unions Fight—For What?

the T U C spokesman declared, lies the hope of peace for the world. Voluntary association of the workers offers a pattern for the nations :

I am convinced that the warring world in which we live will find its salvation only in the practice of this same Trade Union principle of co-operation in free association to maintain an international system of justice, order and law. It is the essence of democracy. A Commonwealth of Nations can be built only upon this foundation. And only in a Commonwealth of Nations can their peace and prosperity be assured.

Co-operation in free association, whether of nations or of classes, is precisely the principle that the Nazi-Fascist Dictatorship denies most violently. It is contradicted by every exercise of authority under the Totalitarian regime. The Dictatorship does not tolerate any independent organized activity, or any voluntary association of citizens, no matter how innocent its purpose. Under the Dictatorship every organization of group interests has been suppressed, even those which sought to pursue their objects within the framework of bourgeois society. In the Totalitarian theory the State stands above all conflicts of class interest. On this ground the middle-class no less than the working-class has been denied all right to an independent

When Freedom Faltered

organized representation, even of their political interests. In the Totalitarian State only the capitalist class has not been dispossessed or divested of power. The omnipotent Totalitarian State is the final refuge of capitalism.

The rise of Fascism can be and has been in fact interpreted from this standpoint as essentially a counter-revolutionary conspiracy. It is a forcible attempt to arrest and turn back the movement of the working-class towards a freer way of life, to shatter the organization through which they have gained so much power, and to restore the conditions under which they can be held in economic and political servitude. In other words, it is a development of the class struggle, a desperate phase of the effort put forth by an economic class whose privileges have been encroached upon, to destroy the foundations of the power won by the working-class through their political and industrial organization.

Trade unionists and Socialists do not all accept the view that the Nazi-Fascist revolution is in the final analysis a capitalist reaction deliberately engineered, not by the capitalist-class as a whole perhaps, but by a small fraction of it, to counteract the encroachments of the organized workers on their domain of

Trade Unions Fight—For What?

authority. Yet in reality, through the Nazi-Fascist revolution, all the organs of authority in the State were seized by the dominant capitalist groups—the financiers, landowners, and the magnates of heavy industry. They became masters of Germany and used their power to reverse the social policy of the country. Under the Republican Constitution the German working-class secured, primarily in the Works Council Law and the compulsory recognition of Trade Union agreements, a position of very great influence. It gave the Trade Unions direct control over wages, and enabled them to extend and fortify the great German system of social insurance. German working-class organization protected and enforced against the employer the rights of the wage-earners, and Trade Union activities encroached more and more upon the authority of the capitalist autocracy. Against all this the Nazi-Fascist Dictatorship emerged as a deliberate reaction, sponsored and paid for by the leaders of heavy industry, finance-capital, and the landowning nobility.

IV. THE NAZI-FASCIST COUNTER-REVOLUTION.

Such an interpretation of the Nazi-Fascist revolution finds increasing acceptance among

When Freedom Faltered

those who can turn their attention from its secondary characteristics—its racial persecution, its intolerance of liberal culture, its Jew-baiting, its hideous cruelties, its ruthless repression of all free activities by organized groups of citizens—to its main objectives, its real origins as a capitalist conspiracy, and its concrete results. Evidence exists in sufficient quantity of the sinister liaison between the Dictators and the capitalist groups that subsidized them. Upon this evidence it is not possible to regard the Nazi-Fascist revolution as a game set going by a gang of rascally adventurers, or as a form of mass hysteria thriving upon the miseries of an impoverished middle-class which overwhelmed in its convulsions the organization of the working-class. Hitlerism may be madness, but there is method in it.

An examination of its origin has demonstrated clearly enough that the subsidies given to it by the big industrialists were calculated to achieve a purpose. The purpose is revealed in the successive stages of the revolutionary movement their subsidies set in motion. Both in Italy and in Germany, it has been pointed out,¹ the Nazi-Fascist gangs functioned at

¹ *Fascism and Big Business*, by Daniel Guérin, chapter 4.

Trade Unions Fight—For What?

first as an anti-Union militia. By terrorism and violence they intimidated and broke up the workers' movement, sabotaging strikes, throwing orderly working-class demonstrations into disorder, provoking conflicts, bludgeoning Union leaders, raiding and wrecking Union offices, and destroying the printing presses which produced the journals of the working-class movement. From these exploits the revolutionary movement passed to political agitation and popular demagoguery which won the support of the middle-classes and conquered State power, in the course of which conquest the original anti-Labour militia was transformed into a secret police and a standing army whose shock troops kept the populace under subjection as if they were a conquered people.

It is not the purpose of this chapter to trace the course of the Nazi-Fascist revolution through all its stages, or to attempt an appraisal of the vast changes it has brought about upon the European scene. Political, economic, and social consequences of immeasurable extent are taking place, the full significance of which cannot be appreciated until they come to maturity. They may mark the dissolution of a European State system which was founded

When Freedom Faltered

upon the Peace of Westphalia three centuries ago, and which survived, in its essential features, the Peace of Utrecht in 1713, the Congress of Vienna in 1815, and the Conference of Versailles in 1919. What is already evident is that they involved the forced migration of millions of people and the subjection of multitudes of them to conditions of serfdom, and for many actual slavery. Subtle manipulations of national currency, credit and exchange, expropriation of capital in personal ownership, industrial conscription, and the dedication of science and technological invention to war, are integral aspects of the Nazi-Fascist revolution. The indoctrination of a whole people with the religion of race supremacy, the philosophy of violence, and the ethics of intolerance, terrorism and persecution, carries that revolution into the realms of the spirit : the rigorous and minute regulation of individual lives by State officials and the constant espionage of a ubiquitous secret police brings it literally into the bosom of the family. The suppression of every voluntary association of citizens was the precedent condition, and the enthronement of arbitrary authority, without foundation in any generally accepted principles of justice and social order,

Trade Unions Fight—For What?

has been the inevitable outcome of this revolution. Whether government by consent of the governed, under the rule of law, can be restored, or whether the deliberate abrogation of every natural right and legal immunity possessed by the individual is to be confirmed under a personal Dictatorship which has usurped total power, is the fundamental question to which this War will give the answer.

With all this the present study is concerned only in this way: in this factual study of Trade Union relations, industrial organization, and political associations formed or modified under the inexorable pressure of war conditions, a clear issue has emerged. It defines a challenge, on grounds of principle as well as of practice, to every premise and conclusion of the arguments upon which the advocates of the Totalitarian system rely. It does more than furnish an answer, incomplete but emphatic as far as it goes, to the question whether democratic methods of rule and order are as efficient in times of crisis as the authoritarian methods of the Nazi-Fascist regime: it denies the whole conception of class subordination, unitary party discipline, and the hierarchical principle of leadership which inverts responsibility for the exercise of power by deriving

When Freedom Faltered

authority from above and imposes upon the general body of the people an unqualified obligation, enforced by arbitrary punishments, the lash, the concentration camp, and the headsman's block, to believe, obey and fight.

This conception, the Nazi solution of the class struggle, has been stated by none more plainly than by Hitler himself. Hermann Rauschning reports Hitler as saying that the ruling class in Nazi Germany represents "a historical class, tempered by battle, and welded from the most varied elements", which constitutes the "great hierarchy of the Party". Below it is the "great mass of the anonymous, the serving collective, the eternally disfranchised no matter whether they are members of the old bourgeoisie, the big landowning class, the working-class or the artisan". Beneath them there is "the class of the subject alien races : we need not hesitate to call them the modern slave class".

V. NEW PHASES OF CLASS STRUGGLE.

It is impossible to dismiss this as the ravings of a madman, since in Nazi Germany, and in the Nazi-occupied territories of Europe, the grim reality conforms to Hitler's cynical denial of an equality of human rights. Mankind has

Trade Unions Fight—For What?

never known a tyranny more absolute, a more thorough-going subversion of individual liberties and of the most elementary guarantees of justice and fair-dealing as between man and man and class and class than under the Nazi regime. The Nazi State incorporates in its very structure the exact pattern of society which Hitler described. The authority of the Party hierarchy, acknowledging no restraint of law or mercy, is an arbitrary authority exercised by a carefully selected body of men who are answerable to none but the leaders next above them. They constitute a ruling class the entry to which is a strait and narrow path. An incredible selective system of physical training and intellectual preparation, applying the most searching tests of fidelity and fitness to practise the tenets of Nazi ideology, has been devised to create an élite of rulers qualified by hardness of temper and by the systematic eradication of every humane sentiment and liberal sympathy to succeed the present leaders. An elaborate organization has been developed inside every industry to perpetuate and intensify the servitude into which the German working-class fell. When the Nazis liquidated the Trade Unions and sabotaged in lightning strokes the splendid German system of social

When Freedom Faltered

insurance, legislative standards of working hours and conditions of employment, of wage-fixing machinery, works councils and labour courts, the employed class was handed over to ruthless exploitation by employers.

By the Nazi Act for the Regulation of Labour, promulgated in January 1934, the rights of combination secured to the German workers under the Weimar Constitution was utterly destroyed. Collective bargaining, carried on by Trade Unions which were exclusively recognized as the legal instrument in the making of contracts and agreements between employers and workpeople, has been replaced by a "leadership" apparatus which gives the employer sole and undivided power to make decisions in all matters affecting his business enterprise, and in particular, over the fixing of all labour conditions. The entrepreneur is formally recognized as "the born leader" of the enterprise. The German worker is its mainstay as Hitler told the second German Labour Congress under Nazi auspices, "because he is susceptible to that feeling of faith and confidence which does not always think it should use the probe of personal opinion, but which consecrates itself to an idea in blind faith and obedience".

Trade Unions Fight—For What ?

These slavish virtues are further nourished by the selection of "Trusted Men" by the employer, in consultation with the leader of the Nazi Works' cell—of which there is one inside every enterprise employing over twenty workpeople—to form a council. The duty of each member of a Council of Trusted Men is "to mitigate the sharpness of the natural conflict of interests within the enterprise, set aside every mistrust, and arouse appreciation for the decisions of the business leaders amongst the followers".¹ The Trusted Men are themselves members of the Nazi Party. Their subservience to the employer is much more abject than the servility American "company unionism" has ever been able to produce. The possibility of any display of independence on their part is ruled out by the application of factory ordinances, framed by the employer, and enforced by district officials known as Labour Trustees, appointed by the Federal Minister of Labour. Their duty is to maintain "industrial peace". They exercise a rigorous supervision of the Trusted Men, apart from the control which lies in the hands of the employer.

¹ Quoted by Prof. Robert A. Brady : *The Spirit and Structure of German Fascism*, p. 129, as the statement of the Trustee for Labour of the Economic District of Brandenburg.

When Freedom Faltered

The Labour Trustees are in fact the agents of the Nazi Party and of its principal organ of industrial regimentation, espionage, and repression : The Labour Front. This fraudulent device, in no sense a Trade Union Movement, is itself subservient to the National Economic Chamber which took over the Union-smashing functions of the pre-Nazi Committee of German Employers' Associations. Through this the German capitalist-class dictates, in conformity with Nazi principles, the final content of the labour contract between the employer and the completely defenceless worker.

How far this achievement of rule and conquest over the German working-class constitutes the attraction of the Nazi-Fascist ideology for the idolaters of the Totalitarian system in other countries is a question that invites discussion. Fifth Column activities, the strangest and most aberrant manifestation of patriotism in countries menaced by the invasion of Hitler's armies, may have their explanation in the feeling of those whose class privileges and economic interests are encroached upon by the rise of organized Labour, that it would be well to subdue this rising power and to put a curb upon working-

Trade Unions Fight—For What?

class activities. It would be foolish to minimize this feeling, and more foolish still to assume that the class struggle, consummated in the Nazi-Fascist revolution, now triumphant in so many countries, has been sublimated in this country by a national acceptance of Trade Unionism and the politics of coalition. This is not the conclusion to which the argument tends. There can be no conclusion to the argument until the War comes to an end. But the issue has been joined.

In the chapters that follow an attempt is made to show how the voluntary associations created by the British working people revealed themselves, in practical ways, as a source of power in the great struggle to preserve democratic institutions in Europe. Evidence is presented in prosaic detail that when by a deliberate act of policy the British Government invoked the help of the Trade Unions in organizing the nation for war, a source of creative energy was tapped and loyalties engaged which no Dictatorship can command from a regimented people.

THE SUPPLY OF LABOUR

I. EXPERIENCE TEACHES.

PROBLEMS of man-power, the regulation of labour supply, and the relations of the Government with the Trade Unions have been handled in this War far more scientifically than they were in the last war. Notwithstanding many initial errors and a fumbling approach to the Unions in the earlier stages of discussions upon the management of industry in war-time, the Ministry of Labour showed greater readiness than most other Government Departments to profit by the lessons of experience. One of these lessons was a categorical imperative for the ordering of industrial affairs in a country where the practice of free citizenship conflicts with the rigors of war control : that the existence of great voluntary associations with such authority and influence as the Trade Unions possess must be recognized and their willing co-operation obtained to fortify

Trade Unions Fight—For What?

and reinforce the effort that the nation must put forth under war conditions. An immeasurable increase of national strength was thereby assured. Regulations, restrictions and sacrifices which the workers could not have been compelled to accept without enormous difficulty, obstruction and loss of vital energy, were consented to because the Unions were consulted before irrevocable decisions were made.

It might have been otherwise. It was otherwise in the last war. The Government of 1914 armed itself with formidable powers of coercion before any serious attempt was made, in the spring of 1915, to secure the voluntary co-operation of the Unions. When one of the Unions, the Amalgamated Society of Engineers (now the Amalgamated Engineering Union), approached the Prime Minister of that day with amendments to the Munitions of War Act which they put forward as "the basis of our continued co-operation", Mr. Asquith resented it as a constitutional impropriety. He wanted to treat the Union's resolution as a threat. It was, to his old-fashioned way of thinking, outrageous for any body of workmen to use such language: theirs not to reason why, still less to address the Government in

The Supply of Labour

terms which implied that the State could receive from them anything better than simple obedience. The conception of a form of society in which free-acting, voluntarily associated bodies of citizens are vested with authority within their own sphere, possessing an inherent, self-developing life of their own which the State, not being jealous or afraid of their power, does not seek to emasculate, was not one that statesmen like Asquith could readily entertain. It is the pattern of a free society which is coming to light in this War. ✓

In conflict with the monstrous pretensions of the Totalitarian Dictatorships, engrossing all authority and denying to their subjects all freedom of thought or action, forbidding them even to listen to any voice but the one which speaks the mind and purpose of the Dictators, the spirit of a free people constrains their Government to make the fullest use of the people's capacity for voluntary organization. Volunteer activities of every kind extend and amplify the Government's powers of initiative, discipline and control. Service which no civil or military authority could exact in anything like the same temper and resolution as the men displayed who manned the amazing armada of barges, tugs, motor-boats, trawlers,

Trade Unions Fight—For What?

lifeboats, pleasure steamers and private yachts which accomplished the evacuation of the British Expeditionary Force from the shell-pitted beaches at Dunkirk, has been the natural consequence. Such service cannot be bought. No rigid system of enforced obedience can evoke that spirit.

Social and economic relationships are undergoing profound and permanent alterations through the evocation of that spirit among the organized workers. They have been joined to the nation's war effort in the way they feel they ought to be—through the Unions they have built up to win for themselves a higher status of free citizenship. When the sum of human gains and losses is added up at the end of this War, it will perhaps be clearer than it is just yet that the greatest gain of all was the discovery that in the Trade Unions the workers have provided the machinery of industrial self-government. It may take a long time to confirm that discovery. Allowance must be made for post-war conservative reaction. But it is at any rate safe to predict that when the War Cabinet, by an act of deliberate policy, turned to the Trade Unions for counsel and assistance in concentrating the reserves of man-power and the resources of

The Supply of Labour

industry for war production, one step after another was taken on a path which will not be retraced. It was possible to take this road, lying in the direction of a free society, because there existed on the one hand, in the Trade Unions, well-organized units of industrial organization, and on the other a Government Department which, in the right hands, knew how to assign to them the full measure of responsibility they were capable of assuming in the present state of their development.

These conditions did not co-exist in the last war. The Trade Unions were there, but the Ministry of Labour had still to be created. All labour questions were then exclusively the concern of the Labour Department of the Board of Trade. The sole legislative authority for intervention in the affairs of industry was the Conciliation Act of 1896. It discharged a limited function of peace-making through the Chief Industrial Commissioner. The war was in its third year before the Ministry of Labour, for which the Trades Union Congress had been calling insistently since 1904, was brought into existence and given a restricted jurisdiction. Administration of the Trade Board Acts and of the Employment Exchanges was its principal duty. When the war came the task of

Trade Unions Fight—For What?

providing skilled workers for the munition trades was assigned to the Labour Department of the Board of Trade. In the early months of 1915 difficulties arose in this connection and demands were made that the Unions should relax restrictions upon the employment of unqualified men. Lord Kitchener, as Secretary of State for War, explicitly declined to involve himself in discussions of the subject on the ground that the War Office had referred the whole question of labour supply for munitions production to the Board of Trade.

Upon the establishment of the Ministry of Munitions, in the spring of 1915, labour questions passed into its hands. The Ministry accepted the offer of help made by the Labour Department of the Board of Trade. But Mr. Lloyd George, the first Minister of Munitions, had his own ideas about the relations of the Government with the Trade Unions. He was still Chancellor of the Exchequer when he negotiated the Treasury Agreement with the Unions, in March 1915. Six months later he set up a Central Munitions Labour Supply Committee, comprising representatives of the Unions and employers' organizations, with the late Arthur Henderson as its chairman. It

The Supply of Labour

co-operated with the Ministry in dealing with dilution and transfer of labour and with the problems of wages and local conditions of employment arising out of dilution and transfer.

II. RESERVATION OF SKILLED LABOUR.

The contrast of method in this sphere of war administration finds its greatest emphasis, perhaps, in the handling of the problem of skilled labour. Before the present War began the Ministry of Labour had at least made a start with it. It emerged as a question of practical policy, as an aspect of the recruitment of volunteers for National Service and not as a means of conserving and regulating the supply of skilled labour to the war trades. There was no Schedule of Reserved Occupations at all in the last war. At a meeting of the Committee of Imperial Defence in January 1915, Lord Kitchener expressed the fear that any attempt to keep even pivotal men in industry would prejudice military recruitment. He objected strongly to any system which would restrain any willing volunteer from entering the Army. His attitude induced the Committee of Imperial Defence to put forward a recommendation that the place of pivotal men should be taken

Trade Unions Fight—For What?

by women, or men who were ineligible for military service.

The War Office authorities had obviously no inkling of the difficulties this would cause with the Unions. Still less did they appreciate the effects of indiscriminate recruitment upon the production of munitions. In the first flush of enthusiasm, men flocked to the colours in such numbers that within three months there was an acute shortage of skilled labour in the essential trades. At the beginning of 1915 the War Office had to agree that valuable skilled men should be released from the Army, but for many months the numbers brought back to industry were quite negligible. Out of a quarter of a million men taken from the engineering trades alone, no more than 5,000 were returned by June 1915. The war had gone on for over a year before the military authorities reluctantly consented to a census of skilled munition workers in units of the Army not already sent out of the country : to bring any back from the Front was, of course, utterly unthinkable to the military mind.

The census revealed that there were over 40,000 soldiers who were passed by the investigators as qualified workmen who ought

The Supply of Labour

to be in the munition trades. A relatively small proportion found their way back. Outside influences conspired with the myopia of the military authorities to keep them in the Army: many of the younger men who remained in industry, though they wore the "badge" which the War Office consented to issue, in March 1915, were insulted by hysterical females with the gift of white feathers and taunted as cowards and slackers. No military leader of any consequence seemed to be capable of admitting that industry needed to retain any fit men who could be used as cannon fodder. It is on record that Foch once flew into a temper over the reservation of men even for the Navy and the Mercantile Marine. Kitchener's view of the problem is indicated above. Some of the most scathing pages in the *War Memoirs* of Mr. Lloyd George are dedicated to the Army leaders who desired "bigger and better armies with insistent and almost querulous appetite". In the constant demands made upon the Government for more and more men to fill up the gaps in the Army, wrote Mr. Lloyd George, there was—

no indication that our great Generals realized that there could be any other demands for man-power entitled to recognition. They were not to be per-

Trade Unions Fight—For What?

suaded that we could not carry on these essential non-military services entirely with the rejects of medical examiners. Every fit person diverted from their armies to any other purpose represented a betrayal of trust by pusillanimous and undiscerning politicians.¹

Not all the politicians responsible for war policy took a view contrary to that of the great Generals: it was late in 1917 that a Man-power Committee of the Cabinet made an investigation of the remaining reserves of labour in the country. Such a comprehensive survey of man-power resources as Sir William Beveridge was instructed by the Minister of Labour to make in July 1940, was never undertaken and apparently never thought of until the last war was within twelve months of its termination. A Ministry of National Service, it is true, was created in the spring of 1917 and Mr. Neville Chamberlain was placed in control to carry out a great scheme of voluntary enrolment of the civil population. It was not a successful experiment. The card index was never completely compiled.

Mr. Chamberlain's first positive proposals were to withdraw exemptions from military service from all fit men up to the age of 22, to comb out the less essential industries, and

¹ *War Memoirs of David Lloyd George*, p. 1567.

The Supply of Labour

to take over the Employment Exchanges as his agency for transferring volunteer workers from the industries where their service was not urgently required. Industrial conscription was in the background. These proposals, however, overlapped the plan upon which the Ministry of Munitions was operating in dealing with the problems of labour supply, and raised questions of demarcation and inter-connection between the Ministries of Labour and of National Service. Final solutions of these inter-departmental difficulties were not found until the Ministry of National Service passed from Mr. Chamberlain's control to Sir Auckland Geddes. About a year before the war came to an end it was decided that all matters of labour supply, priority, allocation, transfer and substitution of labour, trade liaison committees, imported workers and cognate questions should be regarded as within the province of the Ministry of National Service. There they remained until the termination of hostilities.

The evolution of Government policy and administration in relation to the supply and regulation of labour in the last war can thus be traced through successive stages. It began with the limited authority exercised for the

Trade Unions Fight—For What?

first few months by the old Labour Department of the Board of Trade—and the Committee of Production set up under its auspices. It passed to the Ministry of Munitions, which practically monopolized all the Government's dealings with the Trade Unions, under the Defence of the Realm Acts, the Munitions of War Acts, and the Treasury Agreement, until the middle of the third year of the war. The reconstituted Ministry of National Service then took over the whole responsibility of conserving and distributing man-power, of deciding the relative importance of the various forms of civil employment, preparing from time to time lists of reserved occupations, arranging for the transfer of workers, and providing men for the fighting services within the numerical limits imposed by the War Cabinet. None of these duties fell within the ambit of the Ministry of Labour. In the two war years remaining to be endured when the Ministry of Labour was formed it was given no real opportunity of taking over, as was originally intended, the Labour Department of the Board of Trade and the Labour Department of the Ministry of Munitions. In announcing his intention of forming the Ministry of Labour, Mr. Lloyd George (then Prime Minister) told the political

The Supply of Labour

representatives of organized Labour that it would certainly be one of the most important of the Government Departments, both in war and peace. A quarter of a century later the Ministry of Labour demonstrated its right to be so described.

III. FIRST APPROACHES TO TRADE UNIONS.

But the Ministry of Labour, at the outset of its operations in preparing industry to meet war demands, did not display as much confidence, decision and energy as it showed later under the direction of Mr. Ernest Bevin. The Minister in charge when the War came (Mr. Ernest Brown) made his first approach to the Trade Unions, not so much as Minister of Labour but as Minister of National Service. Towards the end of 1938 when the call went forth for volunteers to join the regular forces, auxiliary and reserve units and the various Civil Defence services, a clear indication had to be given to workers in many key occupations that they must not leave their jobs : key workers above a specified age, varying from one occupation to another, could best serve the State by remaining at the work for which their training and experience qualified them. It was the task of the Ministry of Labour to

Trade Unions Fight—For What?

frame a list of key occupations. In outlining the Government's scheme of National Voluntary Service, on December 1, 1938, the Lord Privy Seal (then Sir John Anderson) stated that the Ministry of Labour had already done a great deal of preliminary work in classifying the various forms of employment which were to be treated as reserved occupations : but in settling the final details the Government wished to enlist the co-operation of the interests concerned and the Minister of Labour would take immediate steps to bring representatives of the employers and workpeople into consultation. Sir John Anderson also stated that National Service Committees were to be set up to work in conjunction with officers of the Ministry of Labour in the recruitment of volunteers and in organizing the scheme. Labour, he said, was to be represented on these Committees, along with representatives of local public authorities, various Service units, such as the Territorial Associations, and local Employment Committees.

Labour's spokesman in the House of Commons on this occasion, Mr. Arthur Greenwood, took exception to this announcement as implying a belated and somewhat condescending recognition of the existence of the Trade

The Supply of Labour

Unions and of their concern with the scheme. The Trade Union Movement, Mr. Greenwood declared, should have been brought into consultation particularly at the very inception of the scheme and before the Ministry of Labour compiled its Schedule of Reserved Occupations :

I say that where industrial service is concerned no steps should even be contemplated, let alone taken, without the full co-operation of the Trade Unions. The Trade Unions are now an integral part of the structure of modern industry. You cannot do without them. They speak for those millions of workers without whose aid and goodwill the wheels of industry would be brought to a standstill.

Mr. Greenwood claimed that no new departure from existing industrial practice, no new obligations should be placed upon the workers without "prior and frank consultations with the Trade Unions".

In the same month (December 7, 1938) the T U C General Council received from the Minister of Labour an invitation to consult with him upon the draft Schedule of Reserved Occupations. The Council had already been in consultation, since about July 1938, with the Home Secretary (then Sir Samuel Hoare) on industrial aspects of Air Raid Precautions. The initiative was taken in this matter by the

Trade Unions Fight—For What?

T U C upon discovery of the fact that several Government Departments were involved in Air Raid Precautions apart from the War Office, and it was evident that co-ordination was lacking. It was lacking, also, in the General Council's view, between the Ministries concerned with National Voluntary Service : one Minister was compiling the register of key occupations, and another was setting up the National Service Committees. The General Council therefore decided that its consultations should be with both Ministers, and this was so arranged.

Reference of the draft Schedule of Reserved Occupations to the Unions affiliated to the Trades Union Congress disposed of that part of the problem quickly enough. It was a long list. The Unions were asked by the T U C to say whether they wished to extend it by the inclusion of additional key occupations ; whether the age-limit attaching to each was an adequate protection for essential grades of the industry ; and whether Unions had any suggestion to make as to machinery for further consultations if modifications of the Schedule were proposed. The draft Schedule was very incomplete and considerable extensions were made by the T U C. The T U C maintained

The Supply of Labour

a vigilant attitude to guard against any serious encroachment upon the range of reserved occupations.

There was rather more difficulty in coming to terms with the Ministers on the question of Trade Union representation on the National Service Committees. Under the original scheme it was proposed to set up local Committees of fourteen members, with power to co-opt additional members to a total of thirty. But no provision was made in the original scheme for a Central Advisory Committee to review and co-ordinate the work of these local Committees and to advise the Minister on matters arising from their reports. The T U C urged that such a co-ordinating body was a necessary condition of success in organizing National Voluntary Service : if no such body existed the T U C as such would have no point of contact with the scheme. It was finally agreed to establish a Central National Service Committee and six seats thereon were allotted to the T U C (including one for Scotland), for which the General Council made the following appointments :

Ernest Bevin
George Hicks, M.P.
James Kaylor

H. V. Tewson
Miss F. Hancock
W. Elger (Scotland)

Trade Unions Fight—For What?

The terms of reference for this central body were "To consider reports upon the work of local National Service Committees and to advise the Lord Privy Seal and the Minister of Labour upon matters arising out of these reports and any other matters referred to the Committee by the Minister or with his approval". The local National Service Committees were all fortified by Trade Union representation through nominations of the Trades Councils or (that failing) by direct nomination of Unions in the area.

IV. VOLUNTARY CO-OPERATION OR LEGAL RECOGNITION?

The germ of a Consultative Committee to the Ministry of Labour with wider responsibilities than those attaching to its interest in the National Voluntary Service scheme was enclosed within these terms of reference ; but it did not grow. In the background loomed much bigger problems : the supply and regulation of labour in war-time, the movement of war-time wages, and the avoidance of trade disputes which might bring war production to a standstill. These were questions with which the Central National Service Committee could not deal. They were brought into the

The Supply of Labour

foreground in March 1939. Representatives of the T U C General Council entered into preliminary discussions upon them with officials of the Ministry of Labour on March 22, but it was recognized that the issues raised were not of a nature which brought them within the cognisance of the Central National Service Committee and that they must be referred to the General Council. The Minister of Labour unfolded his ideas about them to the full General Council on March 31, in a statement which had been communicated also to representatives of the National Confederation of Employers' Organizations (now British Employers' Confederation) on the morning of the same day. In substance, the Minister expressed the view that any statutory powers required for dealing with the supply of labour and the regulation of wages and working conditions in war-time should be framed with the object of "giving authority to voluntary action rather than of substituting legal regulation for voluntary action". Mr. Ernest Brown brought his exposition of this highly significant development of national policy to a point by asking the representatives of the two bodies to advise him on the following questions :

Trade Unions Fight—For What ?

1. What steps should be taken to utilize skilled labour and to ensure that skilled labour is used in the most effective way ?
2. Should any steps be taken to see that firms engaged on armament production are making the best use of their labour ?
3. Is a scheme of War Munion Volunteers advisable ?
4. Should a local Advisory Committee be set up to deal with the problem of the supply of labour within its area ?
5. If so, should this Committee be the local Employment Committee ?
6. Should there be a separate Committee for each trade or industry concerned ?
7. Composition of a Tribunal ?
8. Should there be (a) one National Advisory Committee, or (b) a National Advisory Committee for each trade or industry involved ?

Such questions opened up a wide vista. The T U C General Council, after securing from the Minister an elucidation of the Government's policy in regard to the regulation of prices, prevention of excessive profit-making, and food control, set about framing an answer to the Minister's questions. It took the form

The Supply of Labour

of a complete scheme for the governance of industry in war-time which maintained, strengthened and developed the machinery of negotiation and collective bargaining throughout industry ; which did not trespass upon the functions of Unions within their own sphere ; and which provided such flexibility that Unions in the various industries, in consultation with employers, could themselves determine the precise character of any machinery required for mobility of labour and the settlement of questions concerning wages, hours of work, or general conditions of employment. The scheme contemplated a National Committee for each industry. With a view to co-ordinating this machinery and to advise the Government on " the many difficult problems that will arise in time of war ", the T U C General Council also proposed that the Government should set up " a Co-ordinating Committee, advisory in character, which shall consist of equal numbers of representatives appointed by the Minister from Trade Unions and Employers, together with Civil representatives of the Government ".

Before its submission to the Minister of Labour, this scheme was ratified at a special conference of the Executive Councils of Trade

Trade Unions Fight—For What?

Unions affiliated to the Trades Union Congress, held in London in May 1939. This delegate assembly of a thousand experienced and responsible officers of Trade Unions accepted the T U C proposals by a vote of 3,923,000 to 550,000 ; the minority reflecting rather a political opposition than a criticism of the workmanlike character of the scheme. The Minister received the draft proposals in July. Events were then moving swiftly towards their climax in the September declaration of war. There were no further discussions of the subject with the Minister of Labour, and no meeting of the T U C with the Employers' Confederation to consider this or any alternative scheme, until October 1939. Mr. Brown then summoned a joint conference of the two bodies.

It became evident in that conference that the three parties did not see entirely eye to eye : the employers were cautious ; the Minister appeared to be anxious to keep all " labour questions " within the purview of his own Department ; the T U C was not prepared to regard the Ministry of Labour as the sole point of contact with the Government or of liaison with other Departments, such as the Home Office, the Ministry of Supply, the

The Supply of Labour

Ministry of Food, the Ministry of Transport, or any other Ministry whose activities involved the interests of trade unionists and affected the lives of working people. Common ground was found in acceptance of the principle that an advisory body must be created with authority to survey the whole field of industry and to give the Minister counsel, information and assistance upon the problems with which his Department had to deal. Terms of reference were ultimately drawn up which satisfied the T U C by empowering the proposed Joint Advisory Council to "consider all matters in which employers and workers have a common interest". The T U C, however, stipulated that this formula should be given the widest possible interpretation.

V. THE JOINT CONSULTATIVE COMMITTEE.

On this understanding the new Council was constituted with the following personnel—fifteen members from each side with the Minister of Labour as chairman :

<i>T U C General Council</i>	<i>British Employers' Confederation</i>
J. Bell	W. M. Wiggins
G. Chester	H. F. Brand
A. Conley	G. L. Darbyshire
W. J. Farthing	Lewis Jones, M.P.

Trade Unions Fight—For What?

T U C General Council British Employers' Confederation

J. Hallsworth	Herbert Kay
George Hicks, M.P.	W. A. Lee
W. Holmes	Leonard Lyle
J. Kaylor	S. S. Ogilvie
J. Marchbank	Basil Sanderson
G. W. Thomson	Sir J. Walker-Smith, M.P.
J. Brown	Richard Sneddon
E. Edwards	Sir John Forbes Watson
H. N. Harrison	L. G. Wilson
Mark Hodgson	John S. Boyd
Sir Walter Citrine	Sir Alexander Ramsay

Frequent meetings of the Joint Advisory Council brought the T U C and the Employers' Confederation into closer contact with the work of the Ministry of Labour. They afforded an opportunity to consider and advise upon modifications of the Schedule of Reserved Occupations, legislation affecting the Trade Boards and the Road Haulage Wage Boards, the construction of a new Cost of Living Index, the fixing of "summer time" and similar matters. A wider and more difficult question of policy was opened up in preliminary discussions upon the regulation of wages in relation to prices and the cost of living during the War. But it could not be said that the Joint-Advisory Council was enabled to advance the Ministry's policy on the central question of

The Supply of Labour

labour supply much beyond the point to which it had been carried by the Control of Employment Act, which became law before the Council was formed. The T U C, acting independently, exerted a decisive influence upon the Ministry when the terms of this measure were under consideration.

Under this Act, the Minister of Labour acquired powers of control over the employment of skilled personnel in the vital industries. Its main object was to enable the Minister, by Order, to prohibit the publication without his permission of advertisements by employers offering jobs to various classes of skilled workers to whom the Order applied, and secondly to forbid employers engaging or re-engaging any such workers without the Minister's consent. In its original form the measure was open to considerable criticism. The T U C General Council through one of its committees entered into consultation with the Ministry as soon as the Bill was introduced before Parliament. As a result, important safeguards were introduced by way of amendments moved either by the Minister or by Labour's representatives in Parliament.

One amendment provided that before an Order was made, it must be examined in

Trade Unions Fight—For What?

draft form by a committee composed of employers and Trade Union representatives in equal numbers, with an independent chairman appointed by the Minister. A later amendment required that any report made by a committee so constituted should be laid with the draft Order before Parliament: an Order could be annulled by either House within forty days. Another amendment provided that the Minister was not to refuse his consent to the engagement or re-engagement of an employee to whom an Order applied unless suitable alternative employment was available to that employee, who must be notified of any alternative job considered to be suitable when consent was refused. A right of appeal from the Minister's decision was provided, and the Courts of Referees constituted for each district under the Employment Insurance Act, 1935, were authorized to allow appeals where they were satisfied that alternative suitable employment was not available. Not only was an employee entitled to take the job, if his appeal was allowed, but the Court was empowered also to award compensation for any loss caused by the Minister's refusal to let him take the job. A third amendment safeguarded Trade Union machinery regulat-

The Supply of Labour

ing entry to employment by agreement with employers : jobs arranged for through such machinery were not to be cancelled by any Order of the Minister, and this proviso extended to any new arrangement of a similar character which industry might develop as time went on. Through the action of the T U C, therefore, the Act in its final form embodied a statutory right of Trade Unions to be consulted in the framing of Orders, a right of appeal for individual workers affected by such Orders, and a right to compensation if loss was incurred by the Minister's decision, reversed on appeal.

Until the advent of Mr. Ernest Bevin as Minister of Labour, on May 13, 1940, this Control of Employment Act was the only instrument that the Government could use for the direct regulation of the reserves of skilled labour. Even if it had been rigorously applied, the Act extended the Minister's powers of control only to the point where skilled labour could be diverted from ordinary commercial employment to the armament trades. One comprehensive Order could have accomplished this, under the Act, or it could have been achieved by a series of Orders applying the prohibition of private employment successively

Trade Unions Fight—For What?

to various categories of skilled personnel. Neither of these courses was in fact followed by the Ministry. Only one Order was issued, up to the date when the Act was summarily set aside by the new Minister of Labour.

VI. ALL LABOUR UNDER CONTROL.

Mr. Bevin was impressed, when he entered upon his task, with the need for more adequate authority to control and use all the labour resources of the country. He took charge of the Ministry of Labour at 2.30 in the afternoon of May 14. By 11 o'clock on the following morning he produced his scheme, which was approved and accepted by the War Cabinet. The scheme required the enactment of a new Emergency Powers (Defence) Act. This received the Royal Assent on May 22. It extended the powers taken by the Government in 1939 to include "power by Order in Council" requiring persons "to place themselves, their services and their property" at the Government's disposal. Orders in Council were made on the same day, under which the control and use of all labour was vested in the Minister of Labour. By the Regulations issued under the relevant Order the Minister was authorized to direct any person in the United

The Supply of Labour

Kingdom to perform specified services at his direction or on his behalf, or to register themselves as he should direct ; and empowering him to enter and inspect premises and require employers to keep such records as he deemed to be necessary. The Minister of Supply at the same time acquired power to declare any war production undertaking or any class or description of such undertakings to be under his control and subject to the direction of a competent authority ; these being, for the purpose of the Regulation, a Secretary of State, the Admiralty, the Minister of Labour and National Service, the Minister of Supply, and the Minister of Aircraft Production.

Armed with these comprehensive powers, the Minister of Labour set about creating efficient Labour Supply machinery. From the outset, Mr. Bevin sought the fullest measure of understanding with the Trades Union Congress and the British Employers' Confederation. On the day that marked his acquisition of these powers (May 22), following personal consultations with the Secretaries of the two bodies, Sir Walter Citrine and Sir John Forbes Watson, he met the T U C General Council and the Executive Council of the Employers' Confederation in joint confer-

Trade Unions Fight—For What?

ence. He unfolded his plans in broad outline and invited their help. The National Joint Advisory Council, representing the two bodies, went promptly into session after Mr. Bevin made his statement and formulated the following resolution which was adopted as the basis of the new advisory council Mr. Bevin indicated his desire to see brought into existence forthwith :

This National Joint Advisory Council, representative of the British Employers' Confederation and the Trades Union Congress General Council, having heard the Minister of Labour and National Service on behalf of the Government, and recognizing the gravity of the situation, resolves wholeheartedly to co-operate in the steps necessary to secure the protection of the country and an Allied victory. We further appoint a Consultative Committee to advise the Minister of Labour on all matters arising out of the legislation passed by Parliament.

The T U C nominees to the Consultative Committee, which was to function thereafter as a sort of industrial cabinet advising the Minister of Labour, were announced the same afternoon, and those of the Employers' Confederation on the following day. They numbered seven from each side, with the Minister himself as chairman :

T U C General Council

Sir Walter Citrine

George Hicks, M.P.

British Employers' Confederation

H. F. Brand

Basil Sanderson

The Supply of Labour

<i>T U C General Council</i>	<i>British Employers' Confederation</i>
Ebby Edwards	W. M. Wiggins
A. Conley	Sir Alexander Ramsay
J. Hallsworth	W. A. Lee
J. Kaylor	Herbert Kay
Charles Dukes	Sir John Forbes Watson

Immediate contact was secured in this way between the Minister and the two great councils of industry. But the association of Labour with the Government's control and direction of war-time industry, and with the handling of the problems of industrial manpower by the Ministry of Labour, ramified still more deeply as the scheme of consultation was worked out in detail. It developed in pyramidal form, with its apex in the War Cabinet and its base in a regional organization of Labour Supply Committees. Trade Union contacts with the entire organization were provided at all points.

VII. CO-ORDINATION OF PRODUCTION.

Connection with the War Cabinet itself was provided by the setting up of a Production Council, the chairmanship of which was assigned to a member of the War Cabinet (Mr. Arthur Greenwood, Minister without Portfolio), and which embraced the Minister of Supply, the Minister of Aircraft Production,

Trade Unions Fight—For What?

the Minister of Labour as well as representatives of the War Office and the Admiralty, and the President of the Board of Trade. General control over the whole programme of production, including of course the disposal of labour in accordance with the current strategic needs, was assumed by this Ministerial body. As the pressure upon Ministers increased with the complexities of the war organization, it became necessary to devolve some of the relatively less important matters engaging the attention of Mr. Greenwood's Production Council to an Industrial Capacity Committee, whose members are Civil Servants of the rank of Deputy Secretaries to the various Ministries, with Mr. Harold Macmillan, M.P., Parliamentary Secretary to the Ministry of Supply, as its chairman, and Sir James Lithgow as vice-chairman.¹

To mobilize and direct the country's reserves of industrial man-power into war production the Minister of Labour developed his own machinery. It was linked vertically through the Minister himself with Mr. Greenwood's Production Council and horizontally through

¹ See p. 142. This Industrial Capacity Committee is now responsible for the Area Boards, and Sir James Lithgow, at the Ministry of Supply, supervises the working of the local machinery.

The Supply of Labour

Mr. Bevin's chairmanship of the Joint Consultative Committee of the T U C and Employers' Confederation. In the exercise of his powers under the Emergency Defence Act, Mr. Bevin called into existence a central Labour Supply Board, under his own chairmanship. It was composed of four Directors of Labour Supply. These were specially appointed for the purpose and Mr. Bevin's choice of personnel for this Board fell upon experienced and able men, two of them trade unionists. The appointed Directors of Labour Supply were Major-General K. C. Appleyard, seconded from the War Office, a member of the Managing Board of the Engineering and Allied Employers' National Federation and who had filled the chair of the York Conferences for some years ; Mr. A. P. Young of the British Thomson-Houston Company ; Mr. J. C. Little, a former president of the Amalgamated Engineering Union ; and Mr. Richard Coppock,¹ general secretary of the National Federation of Building Trades Operatives. It was their function to work in the closest collaboration with the Trade Unions and employers' associations.

¹ Mr. Coppock resigned from the Board in October 1940, and no successor has been named.

Trade Unions Fight—For What?

For the purpose of this plan of labour supply, it was necessary to create a provincial organization, to supplement the machinery of the employment exchanges which is directed by the Ministry's Divisional Controllers. Eleven of these Controllers held the Minister's authority in their areas as his principal provincial officers. In conjunction with this machinery, in each important area a local Labour Supply Committee was set up to maintain liaison with officials of the Minister; that is, with a Chief Labour Supply Officer, Employment Exchange manager, and two specially appointed Labour Supply Officers, selected because of their practical knowledge of industry and working conditions. Questions of factory capacity in the area, the resources of labour available for war production, the relaxation of the Factory Acts and the provisions made for the health, safety and welfare of the workers, and the facilities for training of workers for skilled occupations were all brought within the purview of these local Labour Supply Committees. Areas in which they were promptly set to work included London, Reading, Leicester, Sheffield, Newcastle-on-Tyne, Cardiff, Southampton, Birmingham, Nottingham, Manchester, Glas-

The Supply of Labour

gow, Swansea, Luton, Bristol, Coventry, Leeds, Liverpool, Preston, and Edinburgh.

Assisting them in day-to-day supervision of the scheme, with particular reference to the uses made locally of skilled labour and the provision of adequate training facilities, a large number of Inspectors of Labour Supply were appointed. They number at the date on which these lines are written (July 1940) about 200. Their primary duty was defined to be to ensure that skilled labour is used to the best advantage and that reserves of workers are trained rapidly for the skilled categories, in establishments where opportunity arose through the slackening of commercial production, in maintenance staff shops and in the Ministry's own training centres, the latter being thrown open to workpeople other than the unemployed.

In broad outline, the Minister's scheme of labour supply took this shape soon after he assumed responsibility for the Department. Orders issued from the Ministry in rapid sequence which revealed the breadth and direction of Mr. Bevin's policy, and where necessary an apparatus of consultation and advice was created to give effect to it. Thus, on June 7, 1940, having taken over from the Home Office the administration of the Factory

Trade Unions Fight—For What?

Acts, with that Department's staff of Factory Inspectors and other officers, Mr. Bevin set up a Factory and Welfare Advisory Board. He charged it with the duty of developing to the utmost possible extent the safety, health and welfare machinery inside the factories, and the billeting, community feeding and other welfare arrangements needed in various localities in consequence of the large-scale transfer of workers. Two members and an officer of the T U C General Council (Mr. J. Hallsworth, Miss Anne Loughlin, and Mr. J. L. Smyth) became members—in a personal capacity—of this Advisory Board, over which the Minister himself presides, and on which some of the principal officers of his Ministry and other Government Departments likewise serve. In July 1940 the Minister issued an Order requiring factory occupiers to appoint medical officers, nurses, and welfare supervisors to look after the health and wellbeing of their employees. At the same time Mr. Bevin sent out a "directive" to employers emphasizing the necessity of reducing the strain of overwork by bringing working hours into conformity with a "norm" of 55 or 56 hours a week as the basis upon which optimum output could best be maintained.

The Supply of Labour

A more rigorous method than the Control of Employment Act provided for concentrating skilled labour in the essential trades was applied by the Minister's Order relating to restrictions upon the engagement of employees in the engineering, civil engineering and building trades, and in agriculture and coal-mining. Engagement of labour for these trades, after June 10, 1940, was to be effected only through the Employment Exchanges; advertisements offering engagements direct and the unregulated transfer of labour became thenceforth illegal; and in consequence no worker normally employed in agriculture or coal-mining could thereafter be engaged for employment in any other industry unless sent to it by an Employment Exchange. But it was provided that the duties and powers of a local Officer of the Ministry under this Order could be transferred to a Trade Union whose machinery for the supply or re-engagement of labour in agreement with employers was approved by the Minister.

VIII. REGISTRATION AND REGULATION OF LABOUR.

Many aspects of the work of the Ministry of Labour, interesting and significant in them-

Trade Unions Fight—For What?

selves and as an indication of the general trends of policy, must be dismissed with the briefest of references, as this book is primarily a study of Trade Union war-time activities and relationships. One may merely mention, therefore, the Minister's measure to improve and extend the Unemployment Insurance scheme and to increase benefits ; the machinery for registration of professional workers and others with special qualifications for national service ; the survey of man-power, of all kinds, entrusted to Sir William Beveridge, which is designed to show what resources of labour and service are available and how they can best be utilized in the great national effort ; and the census of employment and productive capacity in engineering, motor and aircraft and ship-building, vehicle-building, chemicals, explosives, metal manufacture and other industries. It is perhaps unnecessary to dwell upon the significance of the Government decision which placed the whole business of recruiting men for the armed services entirely in the hands of this Civil Department, from registration of each successive age-group to medical examination, posting and calling up. The system erected a barrier against any extreme encroachment of the military authori-

The Supply of Labour

ties upon the nation's man-power resources, provided for the needs of the three Services, and built up a reserve of medically examined and fit men to meet any emergency.

But two examples remain to be cited to illustrate both the method and the result of the Ministry's policy of combining the urgencies of national needs in war-time industry with the determination to do nothing without the full assent and co-operation of the Trade Unions. One example illustrates the relations of the Minister of Labour with a great Trade Union, which happens to be his own ; and the other concerns the elucidation of a difficult point of economic and social policy in consultation with the T U C and the Employers' Confederation.

In agreement with the employers and the Trade Unions organizing dock labour, conspicuously the Transport and General Workers' Union, a complete scheme of Port Registration became compulsory for both employers and workers under an Order made by the Minister. In every port where a registration scheme is approved it became obligatory upon the port employers to register, to engage labour only in accordance with the provisions of the scheme and to comply with

Trade Unions Fight—For What?

all its conditions. In like manner the port workers were required to seek and obtain employment as registered workers. In this way the evils of casual labour at the ports which the old Dockers' Union opposed so strenuously in its earliest days were swept away. The grievous scandal of the daily "call ons", when a scrambling, clawing, cursing mass of workers fought at the gates to get near enough to the foreman engaging men, to catch his eye, became a thing of the past. The slow process of decasualization under voluntary registration schemes was speeded up by the pen-stroke of a Minister who thoroughly understood the problem.

More than that, the Minister associated the Unions directly with the administration of the port registration schemes. It was laid down that joint committees of employers and workers were to be appointed, each with a secretary approved by the Minister. Approved schemes must have regard to the inclusion of all appropriate classes of workers within their ambit. Proper places for engaging labour were to be provided and arrangements made for making the fullest use of the available labour supply, preference being given to registered men. Admission to the register must be accorded to

The Supply of Labour

workers who were regularly employed in dock labour before the outbreak of war, and in preference to men 30 years of age who sought work at the docks only after September 1, 1939. Subject to these restrictions, preference must be given in registration to members of an appropriate Trade Union over men not members of such a Union. Records of employment must be kept, and the administering bodies must periodically review the register to meet the needs of the ports.

Control of the docks industry went further under the auspices of the Minister of Labour than this compulsory registration of port labour. Labour Inspectors were appointed at the principal ports, to work under four regional Inspectors, and assume responsibility for the organization of labour supply and its transfer from one port to another to meet the diversion of shipping in accordance with war needs. Agreement was reached by the industry's Joint Council on modifications of existing practice as a war measure, to enable ports to work to full capacity and ensure the quickest possible "turn-round" of ships. The agreement required all such modifications to be registered with the local joint committee of the port, and copies of the register were to be

Trade Unions Fight—For What?

deposited with the Ministry and with each side of the joint committees. Transference of dockers between ports as circumstances necessitated was an important function of the Regional and Port Labour Inspectors. The selection of these officers was therefore a matter of importance, too : it was laid down that in making appointments selection panels were to be constituted and were to be composed of representatives of port employers and port workers, nominated by their organizations, to act as assessors in an advisory capacity when appointments were made. The local joint committees or other representative bodies were further called upon to assist in dealing with such matters as the reception and billeting of transferred men and on the allocation of work within the port.

So much for the Minister's dealings with a large sectional Trade Union interest.

IX. WAGE POLICY AND ARBITRATION MACHINERY.

The largest issue of policy involving the Trade Union movement in which the T U C members of the Joint Consultative Committee was involved under Mr. Bevin's regime concerned the avoidance of trade disputes and

The Supply of Labour

the regulation of war-time wages. Established machinery of collective bargaining kept disputes in such a narrow compass that practically no working time was lost, and it was a very great advantage from the national point of view that any difficulties that arose could be settled by the methods of conciliation and negotiation. Nevertheless, to make assurance doubly sure, it was felt to be necessary to enter into discussions on the problem of regulating the movement of wages and to devise additional machinery for the avoidance of lockouts or strikes which might interrupt work. Into the arguments arising out of the consideration of wage policy by the T U C and the Employers' Confederation it is not necessary to enter : the whole question assumed a practical aspect when the Consultative Committee was invited to express its views on the wage question. From the Trade Union standpoint the issue resolved itself into a recognition of two points : that war-time production must be continuously maintained at the highest possible level, and that Trade Union standards must be fully safeguarded.

With this as its starting-point, the Consultative Committee reached an understanding upon the question which was embodied in a

Trade Unions Fight—For What?

joint declaration of policy. It stressed the necessity, in the national interests, of preventing both strikes and lockouts. It placed upon the established machinery of collective bargaining in each industry the prime responsibility to settle its own affairs by amicable agreement. But if intractable disputes should arise which were not amenable to settlement by these means it was agreed that machinery of arbitration should be joined on to the voluntary system of negotiation.

Upon the foundation of this positive understanding the Minister of Labour proceeded to erect a National Arbitration Tribunal, the composition and powers of which took full cognizance of Trade Union views regarding the application of methods of compulsion in the settlement of disputes arising out of wage claims. Under an Order in Council dated July 10, 1940, the Minister assumed power to issue Orders designed to prevent the interruption of work by trade disputes : making provision for establishing a Tribunal for the settlement of disputes ; enabling him to prohibit either a strike or lockout in connection with a trade dispute ; but providing also that employers must observe conditions of employment not less favourable than the recognized

The Supply of Labour

conditions ; and inhibiting the Minister himself from making orders that affected the power to refer trade disputes or other matters for settlement or advice under the Industrial Courts Act of 1919. Under the scheme the Minister may take steps to secure a settlement of any dispute by referring it to a single arbitrator, or to the Industrial Court, or to the Conciliation apparatus of the Ministry. Only when all other methods of conciliating a dispute fail resort was to be made to the Arbitration Tribunal.

It will be recognized that this prescribed procedure goes a long way to safeguard the Trade Union position. Three points call for emphasis : reliance is placed in the main upon the voluntary method of securing a settlement of trade disputes ; conditions of employment secured by Trade Union effort become something like basic conditions ; and the personnel and powers of the National Arbitration Tribunal and its adjuncts take account of the Trade Union interests involved in the departure of policy from the familiar road of voluntary negotiation.

The constitution of the National Arbitration Tribunal brought into existence a permanent court of three members and two additional

Trade Unions Fight—For What?

members, one representing the Trade Union and the other the employers' side of industry, who are to be selected from panels nominated respectively by the T U C and the Employers' Confederation. The three permanent members appointed were Mr. Justice Gavin Simonds, Sir Hector Hetherington, and Sir John Forster. The T U C Panel was selected by the T U C representatives on the Joint Consultative Committee as follows :

J. W. Bowen (Union of Post Office Workers)
W. J. Farthing (Transport & General Workers' Union)
Luke Fawcett (Amalgamated Union of Building Trade Workers)
Mark Hodgson (Boilermakers' & Iron and Steel Shipbuilders' Society)
James Kaylor (Amalgamated Engineering Union)
John Stokes (London Glass Bottle Workers' Society)
Alfred M. Wall (London Society of Compositors)
Miss Madeline Symons (National Union of General and Municipal Workers)

It was agreed between the Minister and the Joint Consultative Committee that the position should be reviewed at the end of 1940 in the light of experience of the Tribunal's work. Some thirty Awards had been made up to the beginning of November 1940, in cases varying from straightforward wage claims involving

The Supply of Labour

a whole trade, to claims for the application of Trade Union agreements to non-federated firms, and disputes involving recognition of Trade Unions. Doubts have arisen as to whether the Tribunal is fulfilling the functions it was planned to exercise, in view of the character of the cases brought within its jurisdiction.

X. RESTORATION OF PRE-WAR PRACTICES.

One other matter of importance to the Trade Unions calls for emphasis in this chapter as an indication of the precautions taken by the T U C in conjunction with the Ministry of Labour to secure the necessary guarantees that customs, practices or agreements abrogated, suspended or modified in the exigencies of war shall be restored when peace comes. The necessary assurances were given in the form of an addendum to the Fair Wages Clause in public contracts and in a provision of the Order relating to the prevention of strikes and lockouts and the regulation of wages. The question of the addendum to the Fair Wages Clause is still under consideration.

It was on the initiative of the T U C members of the Joint Consultative Committee that provision was made in the Order for the

Trade Unions Fight—For What?

recording of departures made in Trade Union practices during the War. In every industry where such changes took place adequate arrangements had to be made to register the details. The Union concerned is entitled to submit to the employer a memorandum setting forth full particulars of the workshop customs or practices as they existed and the modifications or departures made. Within ten days the employer must return the memorandum either with his endorsement or with an amended or counter-memorandum explaining his view ; and if agreement is reached the document is deposited with the local Employment Exchange. The employer may take the initiative in proposing changes of practice but the Union is then entitled to present a counter-memorandum. If disagreement arises, a report must be made to the Inspector of Labour Supply or the Factory Inspector in the area. The officer must investigate and report, and furnish a further memorandum setting forth his view of the case. Documentary evidence will thus come into existence upon which the Trade Unions can proceed at the end of the War to negotiate the restoration of practices, customs or agreements which seem to them essential. As far as contracts or sub-contracts

The Supply of Labour

for public work are concerned the Government will stand pledged, by the addendum to the Fair Wages Clause, to insist upon restoration. Registration of changes made is not to be confined to the war trades, but can apply to any industry affected in this way by the War.

It would unduly extend this chapter to take account of every other question of policy, administration and industrial organization upon which the Trade Unions generally, the T U C General Council, and their representatives on the Joint Consultative Committee have been involved. Particular interest attaches to one of the questions now receiving attention—the problem of “long-term” unemployment. Local examining bodies, composed of an official of the local Employment Exchange, a Trade Union representative nominated by the local Trades Council and an employers’ representative, have been constituted in each area by the Minister to conduct an inquiry into the position of workers who have been on the registers for one month or more. The object of the inquiry is to ascertain whether in individual cases the unemployed man is fitted for re-employment either at the trade for which he is registered or at some other trade, or can

Trade Unions Fight—For What?

be restored to employment by a course of training and rehabilitation, or is able to give full-time service in Civil Defence or some other form of National Service.

These investigating panels are supplementary to those set up specifically for the coal-mining, engineering and shipbuilding industries. It will be within their competence after interviewing the men who have been totally unemployed for one month or more to make recommendations according to the circumstances of each case; but it has been agreed that the consent of the man concerned must be obtained for any form of National Service or for training. The inquiry will serve to show the real dimensions of the "hard core" of unemployment, represented by the residual mass of workers who have been workless for a long time. A proportion of them have been out of work for twelve months or more. Some of them may have been regarded as now unsuitable for ordinary industrial work through physical or other disabilities due to prolonged unemployment. When the dimensions of the problem are revealed, by these investigations, the necessary measures for dealing with the residue will no doubt be considered.

The Supply of Labour

Postponement or cancellation of holidays, arrangements for the distribution of payments under holidays-with-pay schemes, excessive working hours, overtime, and shift systems, transference of labour, welfare problems, training of workers for the higher-skilled categories, facilities of Trade Union officers to travel and to enter factories engaged on Government war work and to penetrate into defended areas on Union business—on all these and a variety of other matters Union activities are continuously and comprehensively engaged through the machinery described above. Policy and practice, theory and action, are combined in this province of State administration pre-eminently to preserve all the essential features of the British system of industrial relations. Founded upon the voluntary organization of free men and women, this system is being reconciled with the restraints and restrictions, regulations and statutory obligations which industry must submit to under the imperious and inescapable demands of war.

ARMS AND MUNITIONS SUPPLY

I. REARMAMENT AND CIVIL DEFENCE.

RELATIONS between the Trade Unions and the Ministry of Supply form part of a story which begins long before this Ministry was set up. It is a story entangled with the records of discussions upon the problems of rearmament and the organization of Civil Defence when these problems became the active concern of the Trade Unions after 1934. The Government announced in that year that a co-ordinated programme had been drawn up for reconditioning the defence forces, and that it was intended to develop simultaneously precautionary measures designed particularly for the protection of the civil population, and the safeguarding of essential services against the effects of bombing attacks from the air.

In the ensuing discussions both in Parliament and in the councils and conferences of

Arms and Munitions Supply

the Labour Movement the programme of rearmament and the plans for Civil Defence competed for public attention, and on both of them the Trade Unions quickly developed a very decided point of view. But nearly five years elapsed and the country drew to the very edge of the precipice before the active interest of the Trade Unions was engaged by the authorities responsible for the execution of the rearmament programme and the Civil Defence plans. When the war came at last industry was hardly better prepared to meet the stupendous demand for arms and warlike stores of every description than it had been in the last Great War ; but that was not the fault of the Trade Unions.

In the last war no serious approach was made to the Unions with the object of securing their voluntary co-operation until the spring of 1915. The war had then been raging for over six months, and the Government had already taken extensive powers of compulsion for the handling of labour questions before it occurred to any Minister to ascertain whether the voluntary co-operation of the Unions could be secured. Responsible trade unionists were then assembled at the Treasury to confer with the Chancellor of the Exchequer (then Mr.

Trade Unions Fight—For What?

Lloyd George) and the President of the Board of Trade (then Mr. Walter Runciman). From that conference issued the historic document known as the Treasury Agreement, which set forth the terms and conditions upon which munitions labour was organized and regulated, with some modifications, throughout the war.

The Treasury Agreement was negotiated in March 1915, seven months after the war began. There was no Ministry of Munitions in existence then. It was created three months later. No Ministry of Labour existed to handle the problems of industrial man-power : the Minister of Munitions was glad to accept the help of a Labour Department of the Board of Trade to supervise and direct the relations of the Ministry with the organized Labour Movement. He accepted even more readily, in September, when the war had been going on for a year, the help of a Central Munitions Labour Supply Committee, comprising representatives of the Ministry of Munitions, the employers and the Trade Unions, over which the late Arthur Henderson presided, and through which the Ministry coped with problems of Labour diversion, suspensions of workshop practices and the settlement of labour disputes.

Arms and Munitions Supply

Industry was perhaps in a rather better state of preparedness when the present war began. Certainly there was in existence a Ministry of Supply. It began to function five weeks before we entered the war. Its sphere of responsibility was restricted. Though its powers were considerable, they were ill-defined. Its relations with the Trade Unions were in a very unsatisfactory state. This was not because Labour was in any way opposed to the creation of a Ministry of Supply. The necessity for such a Department had been urged upon the Government in the very earliest stages of rearmament discussions by a former Minister of Munitions (Dr. Addison, now a peer) speaking from the Labour benches in the House of Commons in 1934. Nor was it because the Unions were reluctant to enter into consultation with the Ministers responsible for rearmament, and for the organization of the war trades for increased production. On the contrary, the T U C General Council and the Trade Unions waited in vain for nearly four years to see how the Government intended to give effect to its own declaration that the most careful organization, and the willing co-operation both of the leaders of industry and of Trade Unions, would be needed for the

Trade Unions Fight—For What?

successful accomplishment of its programme of defence.

This declaration was made in the second of the White Papers relating to defence issued by the Government in March 1936. The defence problem, it was then emphasized, necessitated the carrying through in a limited period of time of measures which would make exceptionally heavy demands upon certain branches of industry, and upon certain classes of skilled labour. In some of the skilled occupations, this statement added, there was already noticeable a shortage which it would be for the industries concerned to deal with "with such guidance as the Government can give". But neither on the general programme of defence, nor on this specific question of skilled labour reserves, were the Trade Unions called into consultation with the Government or their co-operation invited until another two years had passed. Exactly two years after the publication of the second White Paper on National Defence the Prime Minister, in March 1938, invited the T U C General Council to meet him to hear a statement from him on the need for an acceleration of the Government's armament programme. Yet in the preceding two years the foresighted organization of industry

Arms and Munitions Supply

to enable it to meet war demands was, according to all official assurances, well advanced.

II. CO-ORDINATION OF DEFENCE.

In March 1936 the Government informed Parliament and the public, in the second of the official documents on National Defence, that an improved and strengthened apparatus for the consideration of defence problems had been evolved by the Cabinet and the Committee of Imperial Defence. A Ministerial sub-committee known as the Defence Policy and Requirements Committee, over which the Prime Minister presided, was set up in July 1935 ; and in view of the importance attached by the Government to the industrial aspects of the problem, Lord Weir became a member of this Committee and gave his active assistance in formulating its recommendations to the Cabinet. In liaison with it was a sub-committee of the Committee of Imperial Defence, composed of the secretary of that august body, the Permanent Secretary to the Treasury, the Permanent Under-Secretary for Foreign Affairs, and the Chiefs of Staff of the three Defence Services. These arrangements, designed to keep the whole defence situation under review, necessitated, or at any rate

Trade Unions Fight—For What ?

brought about, the devolution of some of the Prime Minister's duties upon a Cabinet colleague, who was christened the Minister for Co-ordination of Defence. The name defined the functions of Sir Thomas Inskip (now Lord Caldecote) upon whom fell the responsibility of presiding over these Committees and giving day-to-day supervision on the Prime Minister's behalf to the whole organization and activity of the Committee of Imperial Defence : co-ordinating executive action and making monthly progress reports to the Cabinet ; and holding consultations with the Chiefs of Staff, with the right to call them together under his own chairmanship whenever he, or they, thought such a course to be necessary. The chairmanship of the Principal Supply Officers' Committee was also assigned to the Minister for Co-ordination of Defence.

These arrangements were made for the double purpose of providing for the continuous consideration of defence problems as a whole, and of ensuring the fullest and most effective use of the industrial capacity and the manpower available for production. In the light of events it would appear that a third object was to postpone the creation of a Ministry of Supply. It might even be suspected that a

Arms and Munitions Supply

fourth purpose was to put off any consultations with the Trade Unions in accordance with the intention stated in the White Paper of 1936. It was explained in that document that the Government intended, instead of accumulating immense reserves of munitions and arms, which might become obsolete, so to organize industry that it could be rapidly changed over at vital points from commercial to war production when the necessity arose. Government factories and the normal Government contractors engaged in the manufacture of armaments were to expand their plant. Other firms not normally engaged in armament work were to be encouraged to develop a reserve source of supply by laying down the necessary plant and machinery and training a skilled staff of engineers and workmen : these selected firms were to be enabled to develop their resources for munition production by getting in peace-time a certain amount of war work to do for the Government.

Such was the general lay-out of the supply organization in 1936. At the end of that year the Royal Commission on the Private Manufacture of Arms, set up in 1935, reported upon its investigations. It rejected the view that the manufacture and trade in arms should be

Trade Unions Fight—For What?

a State monopoly and held that the balance of advantage “ lies in a system of collaboration between private industry and the Government ”. But one of its strongest recommendations was that the Government should assume complete responsibility for the arms industry in the United Kingdom and should organize and regulate the necessary collaboration between the Government and private industry. It proposed that this responsibility should be exercised through a controlling body, presided over by a Minister responsible to Parliament, having executive powers in peacetime and in war-time over all matters relating to the manufacture and supply of arms and munitions, costing, and the authorization of orders from abroad. No such Minister, however, was appointed. Nor was the Commission’s recommendation carried out that the Government should face the problems involved in the formulation of plans for the conscription of industry in war-time and should face these problems without delay.

III. THE “ WAR POTENTIAL ”.

Nevertheless, the Government claimed in the third White Paper published in the following year, 1937, that the building up of a “ war

Arms and Munitions Supply

potential ” by the development of a reserve factory capacity was proceeding according to plan. Over and above the expansion of the capacity of the existing aircraft firms, “ shadow ” aircraft factories were being built, and extensions of plant were being laid down by firms not normally engaged on the production of munitions. A number of new Government factories were building or had been planned for the manufacture of explosives and the filling of shells and bombs. Reserves of essential raw materials were accumulating so that the national establishments and industries which were vital to the defence services would not be paralysed by any shortage. Special consideration had been given to the provision of adequate supplies of fuel of the types required by the three Services and for civilian needs, as well as for their protection and replenishing in the event of war. Reference was also made in the 1937 document to the provision made for anti-aircraft defence. Local schemes of air raid precautions and the organization of the necessary personnel had been undertaken, it was declared, on an increasing scale. Fire-fighting arrangements, including the training of a reserve personnel, were not being neglected. The general impression

Trade Unions Fight—For What?

given was of a rapid extension of productive capacity, and an immense accumulation of war-like stores in every category, as well as of the formulation of comprehensive plans for civil defence.

This impression was deepened by the fourth document relating to National Defence published by the Government in 1938. It was declared that a number of new factories had been brought into production and others were under construction. Existing factories, it was added, were working to a high level of output. Manufacturing capacity had been substantially developed, in particular, to provide a "sufficient supply" of aircraft, engines, and equipment. The six "shadow" factories for the manufacture of engines had, it was claimed, already started production. One of the two airframe "shadow" factories was expected to begin production "a few weeks hence" and the other later in the year. Other "shadow" factories for air-screws and carburettors had also started production, and a "shadow" factory for bombs was "on the point of doing so". It was emphasized that these factories were additions to the programme as at first conceived. They were presented as examples of the enlargements entailed by the working

Arms and Munitions Supply

out of the programme. There had been setbacks. It was admitted, for example, that the full expansion of production necessary to enable the programme to be completed within the time originally contemplated, had made demands on the supply of certain materials and on certain types of skilled labour. These could not be met without some delay, the more so as it had been the policy to avoid, as far as possible, interference with the requirements of private industry. "The helpful co-operation of all concerned has done much to diminish the difficulties of the situation," said the writer of the official document, adding that constant attention to this aspect of the programme was required if the best results were to be obtained from the very large outlays made on the erection and equipment of factories.

In the light of these assurances it is difficult to credit the fact that up to this time no approach whatever had been made to the Trade Unions. But the records prove this to be the case. The 1938 White Paper was published in March. It was in that very month, on March 23, that the T U C General Council was invited, for the first time, to meet the Prime Minister in order to hear a statement on the need for acceleration of the Govern-

Trade Unions Fight—For What?

ment's arms programme. In reporting upon this interview to the Trades Union Congress of that year, the General Council recalled that consultations with both the employers and the Trade Unions were foreshadowed two years before, in the second of the White Papers announcing the Government's armament plans. "No contact was made by the Government with the Trade Unions (said the General Council's report to Congress) either directly or through the Trades Union Congress, except in the building industry." In that instance the National Federation of Building Trades Operatives took the initiative. It approached the Minister for the Co-ordination of Defence. As a result, a Committee was set up on which both the building trade employers and the building trades operatives were represented along with the Government departments concerned with the armaments programme, including the Ministry of Health and the Ministry of Labour. But the Minister for Co-ordination of Defence took no steps to call other Unions into consultation until the date of the Prime Minister's interview with the T U C General council in March 1938. Sir Thomas Inskip then met separately both the organized employers and the Unions in the engineer-

Arms and Munitions Supply

ing and shipbuilding trades : the conference with the representatives of Confederation of Engineering and Shipbuilding Unions took place on March 24, the day after the T U C General Council conferred with the Prime Minister. Sir Thomas Inskip's first consultations with the Executive Council of the Amalgamated Engineering Union did not take place until March 29.

IV. THE T U C IS CALLED IN.

Neither the Prime Minister nor the Minister for Co-ordination of Defence in these interviews went beyond a very general statement of the need for a rapid expansion and acceleration of arms production. The European situation was at that time gravely disturbed. Nazi incitements to violence and disorder in the Sudeten German districts of Czechoslovakia had already marked the beginnings of aggressive action which was to destroy that country. In fact, on the day after he met the T U C General Council the Prime Minister gave the memorable warning to Germany that the British Government, while formally reserving its freedom of action, where peace and war were concerned recognized something more than legal obligations. The inexorable pres-

Trade Unions Fight—For What?

sure of facts, Mr. Chamberlain said, might well prove more powerful than formal pronouncements, “and in that event it would be well within the bounds of probability that other countries, besides those which were parties to the original dispute, would almost immediately be involved”.

Tension in European relationships doubtless influenced the Prime Minister in describing the degree of unpreparedness of the country, when he met the T U C General Council. His statement emphasized the necessity of acceleration of the arms programme. He appealed for the goodwill of the Trade Unions. But he made it clear that he understood the practical discussions which were necessary would have to be conducted between the employers and the Unions in the industries concerned. He asked for no pledges from the T U C and made no specific proposals. Nor did the Minister for the Co-ordination of Defence make any when he met the Engineering Unions on the following day. When Sir Walter Citrine as general secretary of the Congress communicated to the Unions the substance of the General Council’s interview with Mr. Chamberlain he observed that, as far as he was aware, the approaches made to

Arms and Munitions Supply

the Unions up to that time had not produced any specific proposals ; and the Unions were asked if any proposals were received to inform the General Council of their nature and scope, in view of the possibility that from such proposals general principles would emerge which would affect the whole Trade Union Movement. At the same time the General Council's view was communicated to the Prime Minister that any specific proposals for acceleration of the rearmament programme could be dealt with most satisfactorily by direct consultation between the Government, the Trade Unions and the employers in the armament industry.

These Unions, for their part, were only too anxious for such discussions. Their impatience with the dilatory procedure of the responsible Ministers was expressed rather sharply by the Amalgamated Engineering Union. This Union declared that it had interpreted statements made by the Government as indicating its readiness to give the Trade Unions an opportunity of expressing their views on the execution of the armament programme. As no approaches had been made the Union had, it stated, taken the precaution to examine the Government's proposals very thoroughly so far

Trade Unions Fight—For What?

as they were disclosed in the documents, and in Ministers' speeches :

We formulated certain conclusions, not knowing whether it was the Government's intention to leave the matters involved to the joint consideration of the Unions and the employers' organizations concerned, or to consult with the Union representatives direct. We find ourselves, two years later, in the same position as we were then. The Government has allowed all this time to elapse without attempting to inform the Unions of what is in its mind. It has waited until the international crisis deepened, until intensified armament preparations must be undertaken, until public apprehensions are raised to the point of hysteria, until the advocates of compulsory service get busy—and only now does the Government take steps to confer with the Trade Union Movement.

The Union's view of the situation was expressed in these terms in April 1938. Six weeks later, on May 25, as a consequence of communications which passed between the Government, the employers and the Trade Unions in the engineering and shipbuilding industries, a meeting took place between the Unions and the Engineering and Allied Employers' National Federation. Specific proposals were, on that occasion, put forward by the employers. They called for dilution of labour in the armament trades. The Unions protested against them as premature and un-

Arms and Munitions Supply

necessary. On the following day the T U C General Council again met the Prime Minister. The Council took strong exception on that occasion to the method of approach which had been adopted in the engineering industry. Although the Council did not claim to speak with the authority of the engineering Unions it did not hesitate to make known to the Prime Minister its view that quite unnecessary suspicion had been aroused by the references of the engineering employers to the need for dilution and for the suspension of Trade Union practices. The Council could not understand, as it later informed the Trade Unions, why a different method had been adopted in the engineering industry from that taken in the building industry. In the Council's view it was the Government's duty to have called the Government Departments, Trade Unions and employers together to put the problem to them so that the Unions could gauge the extent of the demands involved in the expansion and acceleration of the armaments programme. The Prime Minister in reply informed the Council that there was no intention of passing legislation to interfere with Trade Union practices in any way. Mr. Chamberlain went so far as to say that this was one of the arguments

Trade Unions Fight—For What?

he had used against setting up a Ministry of Supply. A Ministry of Supply, he said, would have to have special powers, such as the Ministry of Munitions had exercised over labour and factories.

On the two vital matters, of consultation with the Trade Unions, and the creation of a Ministry of Supply, developments remained at a standstill for the remainder of that year. The Minister for the Co-ordination of Defence went no further than to issue a circular to certain of the Trade Unions emphasizing the Government's decision to give priority in the armaments programme to the manufacture of aeroplanes and anti-aircraft defensive equipment. He took no other steps. At the end of the year the Prime Minister was still unconvinced that it would be useful and desirable to set up a Ministry of Supply. He told the House of Commons on November 1, 1938, that in forming a judgment on that question it was necessary to think very clearly what a Ministry of Supply could do which was not already being done by the Service Departments with the assistance of the Minister for the Co-ordination of Defence. Mr. Chamberlain said that if a Minister of Supply were appointed he could not resist the conclusion

Arms and Munitions Supply

that the first effect must be a dislocation to some extent of the existing arrangements which would of necessity result not in an acceleration but in a slowing down of the progress of rearmament.

Trade Union dissatisfaction was expressed very sharply by the Secretary of the T U C when Congress assembled in September of that year. Rearmament had been going on, Sir Walter Citrine said, for two years and would continue to go on. Trade unionists were already working on the programme. The function of the T U C and of the Unions must be to secure the rights of trade unionists. The real question was how this objective could be secured. It was common ground with the Trade Unions that they must be afforded access to a maximum of information on the subject in order adequately to understand the problem. He took the view that the Trade Union Movement was rightly entitled to object to the employers having any privileged position in a matter of national concern. The General Council had laid down as a first principle that the Trade Unions must be treated in the same spirit as the employers were treated, given full access to information, and having the same opportunity of examin-

Trade Unions Fight—For What?

ing it and seeing how the resources of the industry could be used to meet the needs.

V. A MINISTRY OF SUPPLY IS FORMED.

These needs were becoming more imperious. Mr. Chamberlain's flying trips to Berchtesgaden, Godesberg and Munich, resulting in the Munich Agreement which was followed by the conquest and dismemberment of Czechoslovakia, in the autumn of 1938, emphasized the worsening international situation. It caused Mr. Chamberlain to change his mind on the question of establishing a Ministry of Supply. He announced in Parliament in the spring of 1939, that the Government had decided to introduce as soon as possible a Bill to set up a Ministry of Supply under a Minister who would be a member of the Cabinet. In this announcement, made on April 20, the Prime Minister explained that although the Bill would be framed so as to enable a Ministry of Supply in the full sense to be created, its scope would be confined for the time being to administrative action dealing with the problems of army supply and the taking over of responsibilities by the Ministry for general use of certain stores which the War Office held and already supplied to other Government

Arms and Munitions Supply

Departments including certain Civil Defence requirements. The new Ministry was also to take over the responsibility for the acquisition and maintenance of the reserves of essential metals and other raw materials required for the defence programme. Branches of the War Office responsible for research, design and experiment, production and inspection, as well as the Royal Ordnance factories were to be transferred to the new Ministry. It was proposed, moreover, Mr. Chamberlain said, to establish a Ministerial Priority Committée on the lines of the Committee which, towards the end of the last war, settled questions of priority arising from demands of the several services. He announced that the Minister in charge of the new department would be Mr. Leslie Burgin (then Minister of Transport).

It was pointed out on the occasion of this statement that there was competition between the departments on priority which would not be overcome by the new Ministry taking over only branches of the War Office. The necessity for consultation with the appropriate organizations of workpeople was likewise brought once more to the Prime Minister's attention. His reply was that it would be better to await the introduction of the Bill.

Trade Unions Fight—For What?

Two weeks later, on June 8, 1939, the Bill was introduced. It was assailed by the Labour Party in Parliament on the ground that it did not establish an immediate and unified control of all the supplies necessary for the defence services under conditions which would ensure prompt assembly and delivery, and stop further profiteering. The Bill itself provided that whilst the new Ministry was invested with wide and indeed exhaustive powers they were powers which could only be exercised in relation to a Government Department, if the functions of that Department in the matter of supply were transferred to the new Ministry by Order in Council. The Minister obtained powers under the Bill "to buy or otherwise acquire, manufacture or otherwise produce, store and transport any articles required for the public service". In view of the condition that the consent of other Government Departments had to be obtained before any transfer of power could be made to the new Ministry, Labour's critics in the House saw opening up a long vista of tedious delay and squabbling between Departments. Out of those long delays they believed that small output would come. This largely, in their view, invalidated the powers taken under the Bill.

Arms and Munitions Supply

The new Minister himself directed attention to the fact, in a somewhat apologetic tone, that the Bill did not contain any provision for the setting up of a statutory advisory committee. He declared that he proposed wherever possible "to use organized industry and to set up for my own guidance and benefit an advisory committee, but such body will be entirely advisory and will not have a statutory basis". He offered this as an assurance to the House that he did not intend to work without taking fully into consideration, and using the experience of the last war and the industrial knowledge available, by inviting a number of industrialists to serve on an advisory committee. But to the challenge of a question whether this body would include representatives of the workers the Minister was reluctant to give specific undertakings: "but I am (he said) very much alive to the practical wisdom of working in touch with the associations of workers as well as with the associations of employers".

The Ministry of Supply Act reached the Statute Book on July 13, 1939. Twelve days later, on July 25, the Minister of Supply announced the appointment of an Advisory Industrial Panel. It was composed exclusively

Trade Unions Fight—For What?

of industrialists and business-men. No representative of the organized workers was appointed. Its personnel included a former inspector-general of foodstuffs in Greece during the last war, the President of the Federation of British Industries, with managing directors, chairmen, and directors of motor manufacturing companies, arms firms, engineering firms, machine-tool manufacturers, steelmasters, steel-tube manufacturers, shipbuilders, chemical manufacturers—and Lord Woolton (formerly Sir F. Marquis), chairman of a great departmental stores. In the headquarters' organization of the Ministry some members of this Advisory Industrial Panel, along with other big industrialists, became in the first month of the War members of the Ministry's Supply Council. Its chairman was the Minister himself. The Ministry's Permanent Secretary, Sir Arthur Robinson, was deputy-chairman. The Council itself was thus constituted :

Sir Harold Brown, Director-General of Munitions Production.

Lord Weir, Director of Explosives.

Mr. Peter Bennett, Director-General of Tanks and Transport.

Lord Woolton, Director-General of Equipment and Stores.

Arms and Munitions Supply

Sir Andrew Duncan, Chairman of the Committee of Controllors.

Mr. Patrick Ashley Cooper, Director-General of Finance.

Lieut.-Gen. Sir Maurice Taylor, Liaison with the War Office.

VI. TWO POLICIES IN CONFLICT.

The absence of Labour representation in the embryonic organization of the Ministry of Supply is susceptible to two explanations. One is that the Ministry at the outset conceived the idea that questions of labour supply and regulation of labour conditions were the responsibility of the Ministry of Labour. The Minister of Supply obviously cherished this idea at the beginning of his work. Mr. Burgin made a fairly full statement about the supply problem, and the Ministry's lay-out in the House of Commons, on September 21, 1939. He described the establishment of the Supply Council and named its members. He gave also details of the various controls of raw material set up by the Ministry. He defined his responsibility for the Royal Ordnance factories, of which (he said) there were at that time twenty-eight owned completely by the nation. He declared that there was no single factor of greater importance than that repre-

Trade Unions Fight—For What?

representatives of organized Labour should approve the general framework of the expansion scheme. But it was "the considered view" that the relations with industry and Labour should be the concern of the Minister of Labour and the recognized machinery of his Department. As Minister of Supply his conception was that the Ministry stood in exactly the same position as any other employer in regard to the supply of labour, and regulation of labour. The same principle, he explained, would apply to contractors and to factories run on agency terms where any question of labour supply arose. It would be the business of the Ministry of Labour to provide what labour was needed. Mr. Burgin said that if the Ministry of Labour found themselves unable to fulfil the demand it would be their business to approach the responsible bodies on both sides of the industries concerned and discuss with them the best means of meeting the situation. He agreed that it would in general be desirable for representatives of the Ministry of Supply to be associated with such discussions. But he left the House in no doubt that it was the intention of the Ministry to leave all labour questions to the other Government Department.

There was here a misconception of the nature

Arms and Munitions Supply

of the claim the Trade Unions were putting forward. The Ministry's attitude gave rise to the suspicion that it desired to have no close contact with the Unions. To accept this explanation is perhaps to do the Ministry an injustice. But unquestionably this was the interpretation placed upon the Ministry's attitude by the spokesmen of organized Labour. In the ensuing debate the Deputy Leader of the Labour Party (not then in the Government) spoke sharply, and even with scorn, of the control system the Ministry was developing. To attempt to extend the normal war production machine by establishing thirteen area organizations—as the Minister had explained—with thirteen retired Admirals in charge, Mr. Greenwood said, was a method that was bound to fail. He expressed extreme disappointment that nobody of any importance who was concerned, in the last war, with the work of the Ministry of Munitions, had been taken into consultation by the Minister of Supply: they could profit by the experience of the last war, and difficulties were bound to arise (said Mr. Greenwood) “unless we harness the willing co-operation of industrial employers and employees”. Labour's spokesman emphatically declared that the Minister's con-

Trade Unions Fight—For What?

ception of the relations of the Supply organization with the Trade Unions was not his. It was not the conception of the Labour Movement, “without whose help and co-operation this Government cannot stand for another day”. In this matter the organized Labour Movement was determined that it should not be treated as a poor relation. He asserted again, as he had in an earlier debate, that in this problem of production Labour should be treated on a basis of equality :

The civil service is one thing, but these vast problems of production, which require experience, skill and adaptability, can be solved only by people who are themselves in the industry. Therefore we ask that organized employers and organized employees, as I said last week, be brought in on the ground floor. The result of my appeal last week has been precisely nothing. There has been no approach whatever to what I might call the proper democratization of the industrial system.

Trade unionists and employers were co-operating, because they were loyal : they did not want to make difficulties. But he was convinced, he said, that the more they were brought into the foreground of the picture, and the more responsibility was given to them, the more they were relieved from ex-engineer Rear-Admirals and given responsibilities of

Arms and Munitions Supply

their own, as was done in the last war, the more that co-operation and service they were giving would be multiplied.

Mr. Greenwood's indignant feelings were assuredly shared by the leaders of the Trade Union Movement. On October 5, 1939, the T U C General Council went to the Prime Minister in a body, and expressed their feelings with some plainness. Their spokesman was Sir Walter Citrine. He said the Prime Minister would know from published statements of the Trade Union Movement that it was wholeheartedly with the Government in the prosecution of the struggle against Hitlerism. The Movement was pledged to give every possible assistance in that struggle, but considered it essential that on all matters affecting the people represented by the Trade Unions there should be full co-operation between the Movement and the Government. The various Government departments, he pointed out, pursued different lines on this question of co-operation. In some cases the contact with the Unions was very close. In others it was non-existent. They were most concerned about their relations with the Ministry of Supply. It had not consulted the Trade Union Movement either directly or

Trade Unions Fight—For What?

indirectly. He asked the Prime Minister not to be committed to the view that contact with the Supply Council through the Ministry of Labour would afford adequate opportunity of expression to the T U C or the Unions. The T U C suggestion was that there should be a liaison officer appointed to keep contact between it and the Supply Council. It was also urged that there should be an Advisory Committee set up in connection with the Supply Council, that this committee should be in possession of all the facts relating to production, and should have a voice in the policy to be pursued.

VII. DIRECTIVES ON TRADE UNION REPRESENTATION.

The Prime Minister was quite emphatic in saying that the Government desired to have the fullest understanding, as well as the sympathy and the co-operation, of the Trade Union Movement. He recognized that this was essential in the case of the Ministry of Supply. He could see nothing in the existing structure of the Ministry to prevent the introduction of some form of representation to meet the wishes of the Trade Union Movement.

Arms and Munitions Supply

Subsequently, in the House of Commons on September 26, Mr. Chamberlain dealt with the subject at some length. He recalled the earlier statement of the Minister of Supply in recognizing the importance of Labour's representatives approving "the general framework of the expansion scheme". He reminded the House also that the Parliamentary Secretary to the Ministry of Supply, following his chief in the earlier debate, had dealt with the Ministry's proposal to set up Area Advisory Committees upon which it was intended to have not only business men in the areas, but representatives of Labour working with them. Col. Llewellyn had said the Ministry wanted all the help it could get. It did not wish to go only to one side. It wanted all the best advice obtainable in each area, "and if representatives of working people will come in and help us on these committees they will do so on a complete equality". The Prime Minister lent his own high authority to this statement of the Ministry's policy. It was not always easy, Mr. Chamberlain said, however sincere might be the intention, to formulate a satisfactory scheme at the commencement of the operation of a department of such a wide scope as that of the Ministry of Supply : but

Trade Unions Fight—For What?

given a desire to achieve the same object it should not be difficult to adjust the scheme in a manner to secure that

willing co-operation of all parties to industry which we so much desire. We shall be very glad to consider [Mr. Chamberlain went on] any proposals made to us to this end and I feel sure that it will be recognized that in suggesting the problems of labour, as such, in general should be dealt with by the Ministry of Labour, it was not intended to exclude other methods of associating Labour with supply problems.

The Prime Minister thus publicly confirmed, in Parliament, his assurance to the T U C General Council that the Government desired to have the support of both employers' and workers' organizations, and that it was the policy of the Government to provide all proper means by which this co-operation could be made effective. Col. Llewellyn, smiling broadly throughout the whole of the proceedings, had been present at the interview between Mr. Chamberlain and the T U C : his Department therefore hardly needed the "directive" which the Prime Minister caused to be circulated to all the departments after that interview. Further discussions with the Prime Minister and the Minister of Supply clarified the proposal for representation of the Trade Unions on the Ministry's Area Advisory

Arms and Munitions Supply

Committees, and led to the creation of a Central Advisory Committee composed in equal numbers of Trade Union and employers' representatives. As it was still the Government's view that it was impracticable to concentrate all the supply of materials to the three Service Departments through the Ministry of Supply, it was suggested that relations between the Trade Union Movement and the other Departments concerned should be developed through this Central Advisory Committee : it was to operate as an Advisory Committee to the Air Ministry, at any rate, but its connection with the Admiralty was left for the time being in the air.

On October 25, 1939, the General Council decided to nominate ten of their number to serve on the proposed Central Advisory Committee. The Committee was therefore composed of the following :

Ernest Bevin	Mark Hodgson
John Brown	James Kaylor
H. Bullock	Frank Wolstencroft
A. Conley	William Holmes
J. Hallsworth	Sir Walter Citrine.

This was the T U C advisory committee. Its creation pushed into the background the T U C proposal that there should be representation of

Trade Unions Fight—For What?

the Trade Unions on the Central Supply Council of the Ministry. Attention was directed rather to the constitution of the Area Advisory Committees. Under the auspices of the General Council a Conference was arranged, on October 31, with the Amalgamated Engineering Union, the Confederation of Engineering and Shipbuilding Unions, and the National Union of Foundry Workers, at which the scheme for the setting up of these local committees was outlined. The plan matured under discussion at the first meeting of the National Advisory Committee to the Ministry of Supply, held on November 7, and on the following day the conference with the engineering Unions was resumed. Terms of reference upon which the Area Committees and sub-committees were to conduct their work were formulated as follows :

It will be the function of committees—

- (1) To advise the Area Boards established by the Ministry of Supply regarding the efficient output of anything required by the Ministry of Supply or other Supply departments, and to assist them in overcoming local difficulties ;
- (2) To survey the area within which the Committee is working with a view to increasing efficient production in the area ;
- (3) To take into consideration and make recommendations upon any matter arising out of the

Arms and Munitions Supply

above, except matters which are properly the concern of the Ministry of Labour, or are normally handled by the joint organizations of employers and Trade Unions, in connection with wages or conditions of employment.

These Boards consist of the Area Officers of the Ministries of Labour, Supply, Air (now Aircraft Production), War, and the Board of Trade (to watch the interests of export trades).

VIII. TRADE UNION ADVISORY MACHINERY.

In the course of the next few weeks arrangements were made with the engineering Unions particularly to nominate representatives to the local Joint Advisory Committees. Priority was given, at the request of the Ministry, to nine areas where these committees were felt to be most urgently needed. Ultimately twenty-three committees were established. Trade Union nominations for them concerned primarily the Unions in the engineering trades—namely the Amalgamated Engineering Union, the Confederation of Engineering and Shipbuilding Unions, the National Union of Foundry Workers and the Association of Engineering and Shipbuilding Draughtsmen. They were advisory, as indicated, to the Ministry's Area Boards, with whom were

Trade Unions Fight—For What?

linked the Ministry's Area Officers. The functions of these Officers underwent a process of evolution. Originally it was the duty of an Area Officer to effect the progress of munitions contracts made by the Ministry of Supply from the point where the contract reached the production stage up to (but not including) inspection ; to assist in hastening progress on sub-contracts where required ; to act as liaison officer with area representatives of other Government departments, with the raw material controls, and with the organized bodies of workers and employers ; and to discover new capacity within the area for the manufacture of munitions. More extended duties devolved upon these officers in the course of time, and the Advisory machinery underwent some modification too. Early in 1940 their title was changed from District (Engineering) Committees to Area Advisory Committees. The twenty-three committees functioned in twelve areas.

After responsibility for the Ministry passed from Mr. Burgin to Mr. Herbert Morrison, who became Minister of Supply on May 13, 1940, the work of the Committees and the constitution of the Area Boards were reviewed and important changes were made. Under

Arms and Munitions Supply

new Regulations issued in June 1940, the Area Boards were brought under the control of the Ministry of Labour to work in conjunction with a large full-time staff of local Labour Supply Committees and inspectors. But the Area Advisory Committees, which consisted of ten representative employers and ten trade unionists representing the Unions in the engineering industry, brought into connection with the local organization of the Ministry key officials of the Unions in each area. They were drawn from the District Committees of Unions, and had direct contact with the workshops, and appointed and controlled Union shop stewards. It could not be said that the Committees were entirely satisfactory, however, because they were "advisory" to the Boards and had no real powers.

At the beginning of 1940 the T U C pointed out to the Ministry that the existing system of centralizing munitions production would very speedily break down, unless the Advisory Committees were given regular information regarding munitions requirements, and the Area Officers were vested with more responsibility. When Mr. Herbert Morrison entered the Ministry of Supply in May 1940, there was a staff of 5,000 officials in London connected

Trade Unions Fight—For What?

with the Ministry and the total staff attached to the Ministry's twelve Area Officers was less than 100. Officers from the Production Department of the Ministry were therefore sent to assist the staffs of each Area Officer, and some measure of decentralization was undertaken.

Reorganization of the Area Advisory Committees led to the Trade Union Movement securing direct representation on the Area Boards. It is now compulsory that either the chairman or the vice-chairman of a Board shall be a trade unionist, and in addition two Trade Union representatives sit on each Board. The remaining members of the Advisory Committees in the areas were not, however, disbanded. They remained for service as Advisory Panels for the engineering industry.

The Area Boards are now responsible to the Industrial Capacity Committee, which was set up under the Production Council.¹ Mr. Harold Macmillan, Parliamentary Secretary to the Ministry of Supply, is the chairman of the Capacity Committee, and the members are Civil Servants of the rank of Deputy Secretaries to the various Ministries. Sir James Lithgow is responsible for the working of the local machinery.

¹ See chapter on The Supply of Labour, page 84.

Arms and Munitions Supply

Meanwhile Advisory Committee machinery in the Ministry of Supply organization developed in connection with the Raw Material Controls. Towards the end of 1939 discussions between the Ministry and the Controllers of Raw Materials led to a fairly comprehensive system of Advisory Committees and Trade Panels. The Advisory Committees deal with raw materials and the Trade Panels with the manufactured articles. These Controls cover aluminium, hemp and flax, iron and steel, jute, leather, molasses and industrial alcohol, non-ferrous metals (lead, zinc, tin and copper), paper, silk and rayon, sulphuric acid, sulphate of ammonia and other fertilizers, timber and wood. They were located in different parts of the country. A survey of all available industrial capacity for these materials was made by the Ministry, and the output of certain firms, with their agreement, allocated between the Departments ; priority being arranged under the Priority of Work Order made in 1939, and supplies of the raw materials in most cases brought under control. Manufacturers in difficulty about supplies approached the appropriate Control. Controllers were instructed to give preference to the allocation of materials where these were

Trade Unions Fight—For What?

needed for Government work, or work on essential national services.

IX. RAW MATERIALS CONTROL.

This was the framework of the scheme when the Trade Unions made contact with it through the Advisory Committees and trade panels for which they were invited to nominate. The position in the Raw Material Controls was chaotic. The machinery itself differed from one Control to another. In the case of the iron and steel Control, for instance, a consultative Committee was set up which included the following :

John Brown, Iron and Steel Trades Confederation

A. Callighan, Blast-furnacemen's Society

T. Chadwick, Iron and Steel Foundry Workers.

An Advisory Council to the Wool Control included the nominees of the National Association of Unions in the Textile Trade, namely :

G. H. Bagnall, National Union of Dyers, Bleachers and Textile Workers

S. Bedford, National Woolsorters' Society

F. Dickinson, Bradford & Dist. Power-loom Overlookers' Society

W. J. Riley, Managers & Overlookers' Society

P. Ellis, National Union of Tailors and Garment Workers

with a nominee of the Scottish Council of Textile Trade Unions, Mr. James Kinnear.

Arms and Munitions Supply

A Joint Rationing Committee for Wool had Mr. Bagnall and Mr. Bedford amongst its members. These controls worked excellently. But in the case of the Timber Control Advisory Committee, for instance, four Trade Union representatives attended the first meeting to discover that there were over seventy persons present and more than thirty apologies for absence. By Trade Union pressure this Control was reconstituted and is now a real Advisory Committee of less than twenty members.

In some instances the Advisory Committees never met, or held only one meeting. The reason perhaps was that the Ministry of Supply only set up an Advisory Committee when it had to deal with a difficulty which it experienced in actual operations. For example, the Ministry was urged to form an Advisory Committee for the castings industry, but this was held to be unnecessary on the ground that the productive capacity of this industry is about five times greater than the Ministry's requirements. From its point of view, therefore, there was no problem there. The same thing applied to the woodworking industry.

There was only one committee set up for the

Trade Unions Fight—For What?

Aluminium Control, and having but four members it contained only one Trade Union representative. A full list of the Unions nominating for these Advisory Committees and Trade Panels would be a repetition of lists given on other pages. Trade Panels were formed within the ambit of a particular Control. Thus, when Lord Woolton was Director-General of Equipment and Stores a series of Trade Panels were set up in connection with the directorate of clothing and textiles. They included leather footwear, rubber footwear, hosiery and knitwear, headdresses, braces, web equipment and anklet, harness, saddlery and leather goods, rags, sewing cotton, and badges, buttons and titles. In almost every case the chairman of a Trade Panel was drawn from the staff of the Ministry. The advisory functions of the Unions concerned were exercised jointly with representatives of business interests. Thus, on the Rubberized Clothing Panel, which actually came into existence before the war began (in July 1939), side by side with business representatives who were experts in the different branches of their industries were representatives of the Tailors and Garment Workers' Union: Mr. A. Conley and Mr. Bernard

Arms and Munitions Supply

Sullivan. This Panel was exceptional in that it controlled the supply of raw material and manufacture up to the finished article. Other clothing panels were brought into existence, but it is doubtful whether, like the Rubberized Clothing Panel, they achieved such a complete vertical organization. In the Paper Control separate committees were established to deal with newsprint, periodicals, paper-making, wrapping papers, boards, wood pulp and esparto, waste paper and rags ; coal, chemicals and other mill supplies were the subject of other committees within the Control, upon which the Printing and Kindred Trades Federation was represented by its Secretary, Mr. A. E. Holmes, and by a representative of the National Union of General and Municipal Workers concerned with wood pulp, boards, waste and rags.

It does not lie within the writer's purpose to review the work of the Ministry of Supply, either under its old direction or its new ; or to deal in detail with the operation of the Trade Union Advisory Council and Trade Panels.

Since the chapter was written Sir Andrew Duncan has replaced Mr. Herbert Morrison at the Ministry of Supply.

FOOD AND FUEL CONTROL

I. THE LESSON FROM HISTORY.

GOVERNMENT control of food, both of supplies and distribution, has developed on different lines from those which were followed in the last war. One essential difference is that the Trade Unions are much more closely associated with the machinery of control. In the last war the Labour Movement was kept at arm's length. The co-operation of the Trade Unions was not considered to be necessary and seemed in fact to be regarded as undesirable. When the Royal Commission on Wheat Supplies was set up in the autumn of 1916, a considerable time before a proper Food Ministry was established, a joint deputation of the Trades Union Congress and the Labour Party approached the President of the Board of Trade (then Mr. Walter Runciman) with a request that at least one direct representative of Labour should be included. Mr. Runciman

Food and Fuel Control

declined this request. The Wheat Commission, he explained, was to be composed of gentlemen with an expert knowledge of the trade and would be concerned with the purchase and distribution of wheat supplies. He did not even propose to include representatives of the consumers.

Throughout the war, therefore, the Wheat Commission remained uncontaminated by any contact with the Trade Unions. So did the Royal Commission on the Supply of Sugar which was set up a fortnight after the war began. It does not appear that the Trades Union Congress and the Labour Party, which acted jointly on most matters of importance during the war, made any request for representation on the Sugar Commission. Both of these Commissions were required not only to inquire into supplies but to control them. They stood outside the general organization of the Food Ministry which evolved slowly out of the Department of the Food Controller under strong pressure from the Labour Movement. When the first Food Controller (Lord Devonport) was appointed at the end of 1916, Mr. Runciman said that the Government had been "driven bit by bit against our will to suspend the easy flow of voluntary action".

Trade Unions Fight—For What?

A restive and highly critical Labour Movement applied the driving force. But the Movement's representatives had no place in the organization of the Food Control system by the Board of Trade. The Department was completely in the hands of Civil Servants and their relations were solely with the representatives of trading interests. Recognition of the Labour Movement could not be wholly withheld. It was given reluctantly and with an excess of caution, only because its criticism was becoming a nuisance. The supercilious attitude of the Civil Service in those days can be seen in the book ¹ which the Secretary to the Ministry of Food wrote some years later. In its patronizing references to the Food Ministers with Labour and Trade Union antecedents, Mr. J. R. Clynes and the late Mr. G. H. Roberts, and to the Socialists, co-operators, and trade unionists who served on the Consumers' Council, there is a disdainful tone which rises at times to a note of shrill dislike. It reflected the prevalent feelings of suspicion, distrust and hostility surrounding the Trade Unions particularly, at that time.

Nevertheless, some measure of recognition

¹ *A State Trading Adventure*, by Frank H. Coller, C.B. (1925).

Food and Fuel Control

had to be accorded to the working-class organizations. It was admitted by Mr. Runciman, with no enthusiasm, when he agreed to appoint three Labour representatives to a Departmental Committee on Food Prices. Lord Rhondda showed a readier acceptance of the necessity when he became Food Controller at the end of the third year of the war. He demanded the assistance of Mr. Clynes. Relations with the Trade Union, Labour and Co-operative movements then developed on rather better terms. Mr. Clynes took particular care to see that at least one Labour representative and one woman should be included in the personnel of each of the thousands of local Food Committees which the authorities of all the urban and rural districts in the country were instructed to set up, in preparation for the introduction of a rationing scheme and to check profiteering. Mr. Clynes also adopted the practice of attending himself or arranging for high officials of the Food Ministry to attend delegate conferences of the Trade Unions and local Labour Parties, to explain the working of the Food Control system and to listen to complaints and criticisms. He took a further step early in 1918 to bring the Trade Union, Labour and

Trade Unions Fight—For What?

Co-operative movements into closer touch with the Ministry. Side by side with the Food Council proper which consisted of Lord Rhondda, Mr. Clynes himself, and eight or nine of the principal officers of the Ministry, a Consumers' Council was established. It was composed of six representatives of the Trades Union Congress, of the Co-operative Movement, the War Emergency Workers' National Committee and the Standing Joint Committee of Industrial Women's Organizations, with three representatives, added later, of the unorganized consumers.

The creation of the Consumers' Council carried the association of the organized workers with the Ministry of Food as far as it ever went in the last war. The war was almost over before it was formed. In the earlier stages of the struggle such recognition as was given to the three national movements was given unwillingly, tardily and with many reservations. The leaders of these movements had to insist upon recognition. Only when real dangers and difficulties confronted the country as a consequence of the depredations of the German U-boats were they called upon to assist the Ministry—and then mainly with the object of placing upon them some of

Food and Fuel Control

the responsibility for unpopular measures of restriction and control. In some departments of the Food Administration there was never any consultation with the Trade Unions at all : the Central Agricultural Advisory Council, for instance, which met regularly at frequent intervals to consider questions of policy and to which all Orders of the Food Ministry relating to agriculture were submitted, was composed entirely of farmers. The Unions remained, from the beginning almost to the end of the war, on the outside of the Food Control organization. Such contacts as they had with it, with the exception of the local Food Committees, gave them a very limited opportunity of influencing either its policy or its administration.

II. LOCAL FOOD COMMITTEES.

At the beginning of the present War it seemed to be probable that the Government Department concerned meant to adopt a similar attitude towards the Trade Unions. One of its first measures was the creation of local Food Control Committees. Whether through forgetfulness, indifference or deliberate intention, no provision was made for Trade Union representation on these local Com-

Trade Unions Fight—For What?

mittees. Under Regulation 55 of the Emergency Powers (Defence) Act a series of Orders were issued which dealt with Food Control. Local authorities were required in every local government area, excepting county councils, to appoint Food Control Committees. It was laid down that each Committee should consist of fifteen persons. Five of them known as "trade members" were to be persons conducting a business in retail food distribution in the area covered by the appointing authority: two of the five, it was stipulated, must be carrying on the business of a retail grocer and a retail butcher; another must be an official of a retail Co-operative Society; and the other two must be representative of other retail food trades. The other ten members of each Committee were to be persons who, in the opinion of the appointing authority, were representative of all other classes in the locality. Two of them must be women. But there was no such stipulation as Mr. Clynes insisted upon, that any of the ten members must be representative of the Trade Unions or of the local Labour Movement. Many of the local authorities accordingly ignored the local working-class organizations in making their appointments. Not a few of them disregarded

Food and Fuel Control

the protests of local Trades Councils : it was reported to the T U C General Council in November 1939 by 125 Trades Councils that they had failed in their effort to secure representation. Further investigation revealed a generally unsatisfactory state of affairs from the Trade Union standpoint.

The T U C General Council took prompt action to remedy it. Their first approach to the Ministry of Food met with an evasive reply. The Ministry took refuge behind the provision of an Order which prescribed an annual tenure of office for the appointed members of local Food Committees. Nothing could be done, it was intimated, for twelve months. But the General Council, fortified in their resolve to claim for the Trade Unions full representation on all functional bodies by the declaration of the Prime Minister (Mr. Chamberlain) that the Government's view was that "the support of both employers' and workers' organizations is essential if this country is to put forth its maximum effort", were not content to leave the question in abeyance for twelve months. The Council proposed that the Minister should direct local authorities to fill the first vacancy which occurred on any local Food Committee with a

Trade Unions Fight—For What?

Trade Union nominee, and also to require the appointment of Trade Union representatives when the local Committees were reappointed at the end of their twelve months' tenure. To ensure that proper attention would be given to this and other causes of dissatisfaction, the General Council decided moreover to seek an interview with the Prime Minister, taking his declaration of the Government's wish to secure Trade Union co-operation (made on September 26, 1939) as the basis of their approach.

The T U C General Council found the Prime Minister to be entirely sympathetic in his attitude. Mr. Chamberlain listened carefully to their statement of the difficulties that had arisen with some of the Government departments. He told the Council that he was issuing to all the Departments an instruction that it was the Government's policy to take the Trade Unions into full consultation and to obtain their co-operation in every sphere of war-time administration. This instruction produced an immediate change at the Ministry of Food. The T U C interview with the Prime Minister took place on October 5, 1939. Two weeks later the Minister then in charge of Food Control

Food and Fuel Control

invited the General Secretary of the Trades Union Congress (Sir Walter Citrine) to a consultation which resulted, first, in the establishment of a T U C Advisory Committee to the Ministry and later in a wide and effective application of the principle of Trade Union representation on the various functional bodies, including the local Food Control Committees, through which the Ministry exercises control over the supply and distribution of food.

III. EVOLUTION OF A MINISTRY.

By that time the organization of Food Control had assumed a fairly definite form. The first tentative steps had been taken in the setting up of the Government's Food Council, established in 1925. The original purpose of the Food Council was to study the problem of food prices, with particular reference to current and future supplies of wheat and meat. Its creation was a sequel to the investigation carried out in 1922 by the Departmental Committee over which Lord Linlithgow presided, and by the Royal Commission on Food Prices which was appointed in 1924 to inquire into methods and costs of distributing agricultural, horticultural and dairy products. The

Trade Unions Fight—For What?

Royal Commission, it is interesting to note, definitely recommended that the representatives of the Food Council should include two members nominated by the Trades Union Congress. The Food Council was endowed with no executive or statutory powers. Its terms of reference were given by the Prime Minister (then Mr. Stanley Baldwin) on its appointment as—

to investigate and from time to time to report to the President of the Board of Trade on such questions as by reason of complaints from persons interested or otherwise appear to the Council to require investigation in the interests of consumers or traders, or are referred to them by the President of the Board of Trade, relating to the supply or price of articles of food of general consumption and in particular the following: wheat, flour, bread, meat, bacon and ham, milk, butter, cheese, eggs, fish, fruit and vegetables, sugar, tea.

With such a remit the Food Council could not do much to lay the foundations of a war-time system of Food Control. That became the task of the Food (Defence Plans) Department, brought into existence in December 1936, under the direction of Mr. (now Sir) H. L. French. This was a Department of the Board of Trade. It was widely realized at the time that the building up of a reserve of food

Food and Fuel Control

was an essential feature of a national defence system. The new Department was in fact the Government's response to the anxiety expressed in Parliament about the food situation should the country become involved in war.

But the Ministers responsible for Defence measures did not impart much energy to the execution of any plans which may have been framed for the storage of food. Seven months after the Department was started the Minister for Co-ordination of Defence (Sir Thomas Inskip, not then a peer) admitted in the House that the main principle of food storage was still unsettled. Another year elapsed before the Food Department provided evidence of its existence in a report, published in May 1938, which discussed plans for taking complete control over the buying of foreign foodstuffs, and over distribution and retail sales, including prices, as soon as war came: a shadow organization to effect this, it was explained, had been worked out in discussions with the trades concerned, for application to every commodity or group of commodities.

In the Budget statement of that year, moreover, it was disclosed that the Government had made secret purchases a few months earlier of stocks of wheat, sugar and whale oil to the

Trade Unions Fight—For What?

value of £7,500,000. Legislation—as well as a supplementary Estimate—was required to cover these transactions, which had been made without statutory authority. In July 1938, the Essential Commodities Reserve Act gave the Board of Trade power to create reserves of cereals and allied products, meat, livestock, dairy produce, edible fats, oils and oilseeds, sugar, fish, staple fruits and vegetables (including potatoes), beverages, condiments and spices ; the Act also applied to fertilizers, petroleum and coke ; and the intention of the Act was to enable direct Government purchases to be made as well as to encourage traders to increase their stocks. In September, at the height of the Munich crisis, the Board of Trade, in order to allay public apprehensions and to stop panic buying of food by householders, announced that supplies were ample, and that, in the event of war, the supply and distribution of food would be controlled to prevent an undue rise in prices : the Food Department at the same time called upon wholesale dealers in bacon, hams, butter, cheese, lard, cooking fats, and margarine to maintain unaltered for fourteen days the wholesale prices then ruling ; the leading tea distributing firms were required to keep retail

Food and Fuel Control

tea prices unaltered for a fortnight ; and the Chamber of Coal Traders voluntarily agreed to make no change (apart from normal seasonal increases) in the retail prices of household coal.

This might be regarded as the first try-out of the Food Control organization under conditions of emergency. But Food Control was as yet the business of no particular Minister. The respite obtained at Munich encouraged somnolence. It was more than six months later, in April 1939, that the Prime Minister (Mr. Chamberlain) stated that the President of the Board of Trade was to be relieved in some measure of responsibility for the Food Reserve policy and arrangements were being made for the Food (Defence Plans) Department to be taken over by another Minister. Food Control then became the duty of the Chancellor of the Duchy of Lancaster, then in the incumbency of Mr. W. S. Morrison. Not until the War had actually started was the Food Department transformed, by an Order dated September 8, 1939, into a full-blown Ministry. Mr. Chamberlain then announced, on October 26, 1939, that in view of the increasing importance of the work of the Food Ministry arrangements had been made for

Trade Unions Fight—For What?

Mr. W. S. Morrison to devote his whole time to it.

IV. THE T U C ADVISORY COMMITTEE.

The T U C Advisory Committee was appointed on October 25, 1939. It was composed of the following members of the T U C General Council :

George Gibson

J. Hallsworth

H. N. Harrison

William Kean

Miss F. Hancock.

It held its first meeting with the Minister on November 16. One of the first necessary measures was to secure a modification of the Order relating to the constitution of local Food Committees so as to provide for the representation thereon of the Trade Unions, as far as possible through the local Trades Councils. The Ministry accepted the principle, but it was not until May 1940 that an amending Order was made which added to the original Order the following proviso :

Provided that in any case where the Minister of Food after consultation with the Trades Union Congress shall have notified the appointing Authority or Authorities concerned that the said ten members other than the two women members shall include a representative of Trade Unions, then on and after the occurrence of the next vacancy among the said ten

Food and Fuel Control

members other than the two women members it shall be the duty of the appointing Authority or Authorities concerned so to exercise the power of appointment conferred upon them by this Order as to secure that the said ten members other than the two women members shall include at least one representative of Trade Unions, to be appointed after consultation with such local organization of Trade Unions as the Minister of Food shall designate.

As the reappointment of these local Food Committees was to be made in August 1940, when their first twelve months' tenure expired, their future constitution was thus assured to the satisfaction of the Trade Unions. The Committees, of which there are about 1,510, have important functions to perform. Wide powers have been assigned to them by the Minister of Food. It is their duty, amongst other things, to administer locally the rationing scheme ; to control the arrangements for local retail distribution of food ; to prescribe the terms and to issue the licences required for the sale of specified food commodities, with power to revoke or suspend licences in accordance with the Minister's instructions ; to set up the necessary sub-committees with authority to act on matters devolved upon them, and to enforce the maximum price Orders and other Food Orders issued—this latter duty including the

Trade Unions Fight—For What?

obligation to investigate complaints from the consuming public regarding any overcharging by local retailers, and the preventing of evasion of the Ministry's Orders. The Committees have power to employ inspectors for these purposes and have authority also to institute prosecutions when they are satisfied after investigation of complaints that the provisions of any Food Order have been infringed.

T U C insistence upon the necessity of associating the Trade Unions with the work of the local Food Committees was all the stronger because they provided something more than the machinery of price control and rationing : these bodies have been planned with a view to the possibility of air raids destroying normal methods of communication and distribution. They will function as independent centres of control, if centralized direction breaks down. Each Committee is linked with the Ministry of Food through its divisional Food Officers. The divisions within which these officers exercise authority over every branch of the Ministry's activities correspond to the regions over which the Special Commissioners will have full command in accordance with the Government's general plan in the event of a breakdown of the central

Food and Fuel Control

Administration. If that were to occur, the Divisional Officer would become responsible for the whole food organization, under the Regional Commissioner. The local Food Committees and their principal officers (Food Executive Officers) are directed to deal with the Divisional Food Officers rather than communicate directly with the Ministry. Prompt decisions, and the necessary authority for local action, are thus ensured.

The official staff of the divisional organization and of the local Food Committees totals many thousands. In March 1940, according to the Fourth Report of the Select Committee on National Expenditure, which is the source of much information concerning the Food Control system, there were over 14,000 officers attached to the local Committees and 578 in the Divisional Organization. The headquarters staff then exceeded 3,300. In addition there was a staff of more than 2,500 to do the work of the Area Commodity Organization. These latter are the backbone of the Food Control system. Six divisions were established at the headquarters of the Ministry to operate the Commodity Control scheme. A score of commodities ranging from animal feeding stuffs to imported fresh

Trade Unions Fight—For What ?

vegetables and fruit are separately controlled by Directors of Supply—and in some cases by Directors of Distribution, too, of cold storage, food transport, and freights. Nearly all of them are drawn from the food trades and many of them from firms dealing in the commodities these Directors control.

Thus the Cereals Control Board has a shipowner (Sir Alan Anderson) as chairman ; the chairman of the Cereals Imports Committee (Mr. J. V. Rank) is connected with a great milling firm ; the chairman of its Home Grown Cereals Committee (Mr. J. McFadyen) is a director of the Wholesale Co-operative Society ; and the chairman of the Flour Mills Control Committee (Mr. H. D. Vigor) is a Civil Servant. All of the three Directors of the Bacon and Hams Control are connected with firms engaged in that branch of the food trades. Control in the case of such other commodities as butter and cheese, canned fish, canned fruit and vegetables, cocoa, condensed milk, dried fruits, imported eggs, imported meat, oils and fats, potatoes, and imported fresh fruit and vegetables, is in the hands of business men whose firms deal with them ; in the case of sugar the Deputy Director of Supplies was previously connected with a firm

Food and Fuel Control

of sugar brokers : but the Director of Freights (Mr. F. B. Elliott) went to the Ministry from the Hospital Savings Association, and the Director of Food Transport from Lever Brothers, and Unilever Ltd.

V. COMMODITY CONTROL SYSTEM.

Criticism has been directed at the Commodity Control organization, on the ground that the appointment of Directors of Supply who are in many cases drawn from businesses engaged in handling those commodities might lead to undesirable results. The question was examined in the Fourth Report of the Select Committee on National Expenditure. Critics under less constraint than the members of this Select Committee talked of "economic feudalism" and emphasized the dangers of a situation arising at the end of the War with a handful of "Controllers" in possession of the trade secrets of all their competitors. The Select Committee did not go so far in criticizing this aspect of the Commodity Control. Its Report laid emphasis on the fact that ultimate responsibility does not lie with the Trade Directors concerned, but with the Ministry itself.

Attached to every Commodity Control there

Trade Unions Fight—For What?

is a Finance Director. Each Control is, moreover, under the administrative direction of a senior Civil Servant. There is, too, a Costings Department within the Finance Section of the Ministry, which examines Traders' margins and is staffed by a small number of highly qualified men who are assisted by a panel of qualified accountants operating all over the country. The accountants are selected in consultation with the Institute of Chartered Accountants, and the Incorporated Society of Accountants, and investigations or inquiries which may have to be conducted in any area come into the hands of accountancy firms on the panels whose reports are analysed and collated by the Ministry's Costings Department. The Select Committee appeared to be satisfied that arrangements regarding purchase and selling prices or operating margins were sufficiently safeguarded. Nevertheless, the Committee felt bound to "record the impression that in some cases the Trade Directors, by virtue of their special knowledge and personality, may have a strong influence". It mentioned one case specifically where an important Trade official had been, simultaneously with performing his official duties in the Ministry, engaged as a Trade

Food and Fuel Control

representative in negotiating with the Ministry on an operating margin to be allowed to his own trade.

In effecting the transition from a system of free commercial operation to one of Government control, the Committee thought that it could not be denied that the expert knowledge contributed by the business men brought in as Trade Directors had been to the Ministry's financial advantage. A system had been built up which worked. The advice of these Directors on buying arrangements, the Committee added, had been in fact of great value. But the Committee felt that the Ministry, like Cæsar's wife, should be above suspicion, and that it was necessary to dispel any impression that individuals interested in a particular trade were able to exert inside the Ministry any influence on the profit margins to be allowed to such trade. It suggested to the Ministry that there should be set up a quasi-judicial tribunal to adjudicate on questions arising in the fixing of margins, or the process of bargaining with the trade interest. Practical objections were made to this suggestion. But the Committee nevertheless recommended, in its Fourth Report, that as most of the settlements with the trade had been made on a provisional

Trade Unions Fight—For What ?

basis, subject to review in three or six months, a special tribunal should be set up to review the terms of all such arrangements, and to give its approval before they are renewed, or modifications are made.

The policy of the Ministry had been to organize the distribution of each commodity so as to interfere as little as possible with the normal channels of trade. Much consultation was therefore necessary with trade interests both as to the method and, more especially, as to the fixing of traders' margins at each stage of distribution from the importer to the retailer. The Ministry's general method was to take entire possession of some commodities by bulk purchase (or requisition) of supplies at source ; and to control others by means of price orders, import licences, or the licensing of traders. Most of the essential foodstuffs fall into the first category, by reason of the Ministry having become the sole importer or purchaser of supplies : commodities thus completely controlled including wheat and other cereals, meat, sugar, bacon, butter, tea, dried fruits, oils and oilseeds. The Ministry parts with the ownership of these commodities at different stages of their distribution in accordance with its aim of ensuring equitable

Food and Fuel Control

distribution at reasonable prices. Meat, for instance, both home produced and imported, is owned by the Ministry until its supplies reach the retail butcher shops. On the other hand, potatoes, milk, condensed milk, canned salmon and herrings, are not actually acquired by the Ministry at any stage, but are completely controlled by Price Orders or in other ways. Nearly all the remaining food commodities are controlled by import licence. Only a few, such as fresh fish and wines, are left quite free. The commodities subject to import licences are chiefly fresh fruits and vegetables, cocoa, coffee, condiments and spices—in other words the foodstuffs which are described by the Ministry as generally non-essential articles of food. Maximum Price Orders apply to most commodities, in some cases at all stages from the importer to the retailer, combined in a few instances with rationing of an individual consumer.

VI. CONTROL OF PRICES.

Obviously this system of Commodity Control, and especially its price-fixing functions, is of high importance in the general scheme. It may have been an uneasy conscience which caused the Minister of Food in

Trade Unions Fight—For What?

his initial discussions with the T U C representative (the General Secretary, Sir Walter Citrine) on October 19, 1939, to suggest the appointment of Trade Union representatives to the various technical committees connected with Commodity Control. In due course the T U C Central Advisory Committee submitted a list of the Unions which were affected by, or were interested in, the work of the respective committees whose counsel and co-operation assisted the various Commodity Controllers. The Minister was requested to secure nominations from each of these Unions, and the Unions were advised by the T U C to restrict their nominations to the number required for adequate technical representation.

The list of these Advisory Committees¹ covers not only a wide range of food commodities, such as milk, jam, butter and cheese (with a separate one for British butter), eggs, fish, potatoes, rice, dried fruits, bread, cake and biscuits, coffee, but also raw coke and

¹ Conditions in the food trades have changed so markedly in the course of the War that some of these Technical Advisory Committees are not now fulfilling a useful function. Inquiry is proceeding both on the T U C side and on the side of the Ministry as to the manner in which the Technical Advisory Committee machinery is operating, and where it is found that any one of the Committees is not now concerned with important matters it may cease to exist.

Food and Fuel Control

animal feeding-stuffs, cold storage (with a separate one for the plant makers), and a meat manufacturers' advisory committee, too. Hence these advisory bodies include, along with the representatives of business interests and the Co-operative Movement, the nominees of two or three Trade Unions whose connection with the food trades is not only with the distributive side, but also with the production of its mechanical plant. The Unions which were invited to nominate representatives on these Advisory Committees comprised the following :

Operative Bakers, Confectioners and Allied Workers
Shop Assistants, Warehousemen and Clerks
Distributive and Allied Workers
General and Municipal Workers' Union
Agricultural Workers' Union
Transport and General Workers
National Union of Seamen
Amalgamated Engineering Union
Electrical Trades Union
Journeyman Butchers' Federation.

Experienced and able officials of these Unions, or active members of them, are thus directly associated with a network of technical committees which advise the Ministry, and its Food Controllers, on supplies, distribution, price fixing and other problems of the Com-

Trade Unions Fight—For What?

modity Control. The committees have no executive function ; but their counsel and co-operation are available to the Ministry on all matters arising out of the organization of food control. The Bakers' and Confectioners' Central Advisory Committee, for instance, not only advises on problems of supply and distribution in the baking and confectionery trades, but also upon problems affecting these trades as a result of the large-scale movement of population through evacuation. The Rice Advisory Committee advises on all the trade problems including shipping, imports and wholesale and retail distribution of the commodity. The Cold Storage Advisory Committee and the Plant Makers' Committee are concerned with all problems relating to refrigerating machinery and plant. The Meat Manufacturers' Committee advises on what edible articles containing meat should be manufactured during the War, what their meat content should be, and how supplies of meat should be allocated to manufacturers on the basis of prescribed prices at various stages of processing.

Major developments took place also in the sphere of price regulation under the statutory authority, after the enactment in November

Food and Fuel Control

1939 of a measure to prevent unjustifiable increases in the prices of certain commodities. The Prices of Goods Act made it an offence to sell articles specified in Orders made under the Act at a price in excess of the "permitted" price ; the permitted price being determined by reference to the pre-war prices of such articles plus additions based upon actual, unavoidable and proved increases in costs of manufacturing and selling. Administration of the Act rests with the Board of Trade. Its provisions are enforced through a Central Price Regulation Committee, and seventeen Area Committees. The duty of the latter is to enforce the provisions of the Act in their locality including the making of recommendations for prosecutions in respect of any contravention of the Act.

VII. TRADE UNIONS SHARE CONTROL.

On November 3, 1939, the President of the Board of Trade (then Mr. Oliver Stanley) invited the T U C General Secretary to discuss with him the composition of these committees, and suggested that the Trade Unions should nominate representatives on behalf of consumers' interests in each area, and also for representation on the Central

Trade Unions Fight—For What?

Price Regulation Committee. The Act stipulated that the Central Committee should consist of not less than seven and not more than eleven members. The T U C nominee for the Central Committee was Mr. J. Halls-worth, a vice-president of the Congress. A representative of the Co-operative Movement also serves on it in the person of Mr. R. A. Palmer, General Secretary of the Co-operative Union. Two or more trade unionists were added to each of the seventeen Area Price Regulation Committees, chosen primarily for their knowledge and ability in assessing the relevance of different items of cost in manufacturing and selling processes. A list of such nominations, submitted to the Minister for selection, comprises amongst the nominating bodies not only Trade Unions but Federations of Trades Councils :

Amalgamated Engineering Union
National Union of Railwaymen
Transport and General Workers' Union
Tailors and Garment Workers' Union
Union of Shop Assistants, Warehousemen and Clerks
Typographical Association
Midland Miners' Federation
North Wales Miners' Association
Guild of Insurance Officials
Amalgamated Weavers' Association
Distributive and Allied Workers' Union

Food and Fuel Control

General and Municipal Workers' Union
Association of Engineering and Shipbuilding
Draughtsmen
Amalgamated Society of Leatherworkers
Electrical Trades Union
National Union of Clerks
Dyers, Bleachers and Textile Workers' Union,

whilst the other nominating bodies included the London Trades Council, Surrey Federation of Trades Councils, Kent Trades and Labour Federation, Hants, Isle of Wight, Dorset and Wilts Federation of Trades Councils, Monmouthshire Federation of Trades and Labour Councils, and the Federated Trades Councils of Yorkshire.

Orders prescribing prices or price limits have been issued applying to a variety of goods, which enter into ordinary domestic consumption. The specified prices are not maximum prices, but those which are arrived at by adding to the basic price, being the price at which the article was on sale retail on August 21, 1939, additional charges in respect of increases in costs of manufacture and distribution, including the cost of providing materials and stocks, the expense of manufacturing and processing, wages and salaries, administration and establishment expenses, and transport charges. Changes in the total volume of the business

Trade Unions Fight—For What ?

over which overhead expenses may be spread may also be taken into account. Anyone who considers that the price charged for any article covered by an Order under the Act has been unreasonably increased can bring the case to the attention of a local Price Regulation Committee. These bodies have power to investigate such allegations, and prosecutions may follow if the Central Price Regulation Committee shares the opinion of the local committee that the charges are excessive, and the Board of Trade itself considers that proceedings should be instituted. The Act gives the Director of Public Prosecutions the power to institute proceedings where local Price Regulation Committees may have failed to report excessive charges or if the Board of Trade requires it. But the Price Regulation Committees, both national and local, are not only watch-dogs of the public : they also protect the traders in adding reasonable increases of cost to the basic price to arrive at the permitted price of each article.

At the end of 1939, on December 12, the Ministry of Food introduced a control plan for meat and livestock which contemplated the purchase of all fat stock by the Government at collecting centres—the usual fat stock markets

Food and Fuel Control

—and its despatch to selected slaughterhouses, whence supplies would be distributed through Wholesale Meat Supply associations, which would act as Government agents. The T U C General Council were invited to arrange for the representation of Trade Unions on the tribunals for slaughterhouses which the Ministry proposed to set up in connection with this scheme ; the purpose of these tribunals being primarily to advise in cases where local interests considered that the slaughtering arrangements made were inadequate, and to deal with complaints about the exclusion of particular slaughterhouses from the list of selected establishments. Nominations for these tribunals were submitted to the Minister on behalf of a number of the Unions by the T U C and forty-five tribunals were set up in five regional divisions of the country. It will be appreciated that the Trade unionists nominated by these Unions and Trades Councils were chosen mainly because of their knowledge of local conditions rather than because the organizations they belonged to were directly concerned with the meat trades. The Agricultural Workers' Union contributed perhaps the largest number of representatives for these local slaughtering tribunals.

Trade Unions Fight—For What?

VIII. REPRESENTATION FOR CONSUMERS AND PRODUCERS.

Apart from the Food Control organization proper, but closely connected with it, there came into existence in the spring of 1940 a Consultative Council, composed largely of women, to assist in educating the public in the right use of food and to conduct a campaign against waste. Representative Labour women were added to this Council, among them the Chief Woman Officer of the Labour Party and the T U C Woman Officer, Dr. Mary Sutherland and Miss Nancy Adam. They joined the Council, along with Mrs. E. E. Williams, as members of the Standing Joint Committee of Industrial Women's Organizations. Dr. Edith Summerskill, M.P., was added from the Labour Party in Parliament. Another Labour woman associated with the campaign in Scotland was Mrs. Clarice McNab Shaw whose war-time activities have been carried on mainly through the Women's Voluntary Services for Civil Defence in Scotland. Numerous other bodies, ranging from the Combustion Appliance Makers' Association and the British Dietetic Association to the People's League of Health, the Children Nutrition Council, the Society of

Food and Fuel Control

Medical Officers of Health and the National Allotments Society, Townswomen's Guilds and several bodies connected with the gas and electrical industries, appointed representatives to this Consultative Council. The educational movement with which it is concerned is directed by the Ministry of Food in conjunction with other Government Departments, including the Ministry of Agriculture, the Board of Education and the Ministry of Health. A central executive committee, under the chairmanship of Sir Russell Scott, with representatives of the several Government Departments, controls the campaign. This is conducted by a variety of means and on local as well as national lines : national advertising, broadcasting, films, leaflets and posters are supplemented by cookery demonstrations and lectures for housewives. A staff of twenty district officers were appointed by the Ministry of Food to assist the campaign and were instructed to work in close consultation with the Directors of Education and with the domestic science inspectors of the Board of Education. By precept and practical instruction the woman in the home is thus taught how to buy and prepare food and to avoid waste in the kitchen.

Trade Unions Fight—For What?

Connected also with the work of the Ministry of Food, though not under its immediate direction, are other advisory and consultative bodies concerned with the problems of domestic economy and war-time housekeeping. The Trade Unions claimed effective association with them. The T U C General Council were invited, in February 1940, to co-operate with the Ministry of Agriculture and Fisheries in setting up an Advisory Council to assist in developing war-time production of vegetables and fruits on allotments and in private gardens. The Council nominated their chairman, Mr. William Holmes, who is also general secretary of the National Union of Agricultural Workers, to serve on this advisory body.

Active encouragement of allotment holders and occupiers of private gardens to produce the maximum amount of food they were capable of producing was offered by the Ministry only on the spur of necessity. Its original attitude was hardly calculated to achieve this, either with the spare-time gardeners or the farmers generally. Sir Daniel Hall, formerly the Ministry's chief scientific adviser, pointed out many months later that during the first nine months of the War neither the Government nor the leaders of the agricultural

Food and Fuel Control

community saw any need for change in the accustomed methods of dealing with the land. Farmers were stimulated by a subsidy of £2 per acre to plough up grassland, but were not instructed as to the use they were to make of the soil beyond the advice to put in fodder crops to replace the animal feeding-stuffs that could not be imported :

But it was still thought [wrote Sir Daniel Hall ¹] that the bulk of our food could be imported and that no occasion had arisen to interfere with the ordinary course of trade. Owners of gardens who proposed to turn their flower-beds into potato patches were warned that they would not be allowed to sell their produce, and though this ban was rescinded in deference to public pressure there was plenty of evidence that trade protection received the first consideration.

The Ministry's Advisory Council played an influential part in the development of a more vigorous policy. Its counsels received still more attention when, with the change of Government, a Labour Member of Parliament with a specialized knowledge of agriculture (Mr. Tom Williams) became Parliamentary Secretary to the Ministry. Its most energetic efforts have been directed towards the bringing into cultivation for food of suitable unused

¹ Sir Daniel Hall in the *Manchester Guardian*, July 11, 1940.

Trade Unions Fight—For What?

land, including the gardens of unoccupied houses, ground held by speculative builders and the like, as well as under-cultivated farms and market gardens.

The Ministry of Agriculture and Fisheries set up at the end of 1939 another Advisory Committee upon which two Trade Unions interested in the production side of the fishing industry secured influential representation. For this Committee, consisting of twenty-four members, the Union of Transport and General Workers nominated Mr. Ernest Bevin, Mr. G. E. Farmery, Mr. Dan Hillman, and Mr. L. Little ; whilst the General and Municipal Workers' Union designated Mr. H. Bullock. Associations of trawler owners and herring-boat owners, as well as organizations of skippers and mates, made nominations to the Committee.

IX. FUEL CONTROL SCHEME.

Reluctance to admit the Trade Unions into its sphere of administration was shown by the Mines Department of the Board of Trade until maldistribution of fuel supplies under severe weather conditions reinforced the T U C claim that consumers' interests required stronger protection than the local Fuel Advisory Committees gave them. As early as October 25,

Food and Fuel Control

1939, the T U C General Council suggested to the Prime Minister that the constitution of these local Committees, the functions of which were to advise the Divisional Coal Officers, of whom there were eleven, left something to be desired. They were, the Council pointed out, largely traders' Committees. No other interests than those of the suppliers of coal, gas and electricity were considered when the Committees were set up.

On November 2, 1939, the T U C made a direct approach to the Mines Department. It invited the Minister to agree to the appointment upon these Committees of representative trade unionists. Over three months later, as the Department had made no move in the matter and had not indeed acknowledged the Council's communications, pressure was renewed, but another five days elapsed before the Department intimated that the Minister was considering the question of amending the Retail Prices Order with a view to providing for consultation with representatives of consumers before changes were made in the price of fuel. This aspect of the question had already been discussed by the Department with the Central Price Regulation Committee. This Committee's view was that the coal trade

Trade Unions Fight—For What?

should have no more than equal representation with Co-operative societies and local consumers, and that an entirely independent person of local standing should be appointed as chairman to each Committee. Yet the Mines Department showed no greater eagerness to change the composition of the local advisory bodies, and still more pressure had to be exerted by the T U C. It was not until June 17, 1940, that the T U C was officially informed by the Mines Department that a new Retail Coal Prices Order would make provision for the appointment of Committees to advise Divisional Coal Officers in the exercise of their functions under the Order. Directions issued under the Order would ensure that the local Trades Councils Federations would be consulted in the appointment of one representative of working-class consumers on each Committee.

Fewer difficulties and less procrastination attended the setting up of the Coal Production Council, for which the aid of the Miners' Trade Union organization was obtained. The creation of this Council was announced on April 5, 1940, by the Secretary for Mines (then Mr. Geoffrey Lloyd). Its objects were to increase coal exports, maintain supplies

Food and Fuel Control

for home consumption and to promote a substantial increase in coal production. Three coalowners and three of the mineworkers' representatives, drawn from the industry's Joint Standing Committee, were appointed to this Council, along with officials of the Ministry of Transport, the Ministry of Shipping and the Mines Department itself. Mr. W. Lawther and Mr. Ebby Edwards, president and secretary respectively of the Mineworkers' Federation of Great Britain, with Mr. James Bowman, were the three trade unionists appointed to serve. Under its supervision, Production Committees were soon set up in the principal coalfields to take every possible step to meet the urgent demand for coal. To assist these coalfield Committees and to maintain close co-operation with the central Coal Production Council and the Mines Department, Coal Production Advisers were appointed for the districts.

X. MINERS IN SCIENTIFIC RESEARCH.

The Mines Department made still more elaborate arrangements to secure technical advice and sound guidance on the problem of producing from our own coalfields substitutes for imported fuels. From these arrange-

Trade Unions Fight—For What?

ments the Trade Unions were not excluded. At the end of 1939 an honorary adviser on the development of home-produced fuels was appointed, in the person of Sir Harold Hartley. Early in 1940 an authoritative body of scientists, industrialists and other technically competent persons was appointed to consider and review in the light of war conditions the substitution and fuller use of home-produced fuels in place of imported fuels. Mr. George Thomson, a member of the T U C General Council and an officer of the Association of Engineering and Shipbuilding Draughtsmen, joined this body, of which Sir William Bragg, President of the Royal Society, became chairman. After a rapid survey of the field of investigation, Sir William Bragg and his colleagues recommended the appointment of six separate Committees to inquire concurrently into different aspects of the problem. One was a Committee to examine the various synthetic processes for the production of oil from coal. This was constituted under the chairmanship of a member of the Labour Party in Parliament, Sir William Jowitt, K.C., with Mr. James Bowman and Mr. George Thomson to link Trade Union interests with the investigation. Another Committee com-

Food and Fuel Control

missioned to report upon the production of liquid fuels by low temperature carbonization had among its members a miners' M.P. (Mr. Gordon Macdonald). A third Committee was concerned with the possibility of increasing the amount of tar, creosote, benzole, toluole and other liquid products by high-temperature carbonization in gasworks and coke-ovens. A fourth was charged to consider the best means of developing the use of home-produced fuels in internal combustion engines under war conditions ; and a fifth pursued investigations into the use of coal-oil mixtures for raising steam. The sixth Committee, with broader terms of reference covering the possibilities of effecting economies in the use of fuel, with special reference to problems arising under war conditions, had another member of the T U C General Council, Mr. George Hicks, M.P., among its members.

Scientific research and the technical application of science to industry were thus brought within the range of interests encompassed by the T U C General Council and the Trade Unions. They based their claims for representation on the broad general ground that there was no aspect of war administration or policy, no activity of any Ministry or Govern-

Trade Unions Fight—For What?

ment Department, which the Unions could entirely disregard, and on most their active co-operation was essential for the objects in view. This is obviously true in respect of the Ministries and Departments concerned with the problems of national housekeeping under such conditions of warfare as those which the nation has been called upon to meet, conditions which require the best brains, the full resources of productive, technical and administrative skill and experience to be brought to bear wherever these are available.

From this description of the war-time activities and new functional relations of the Trade Unions, we may now pass to a discussion of their significance for the future.

TRADE UNIONS DISCOVER THEIR MISSION

I. TRADE UNIONISM IN SOCIALIST TRANSITION.

SPECULATION about the future of Trade Unionism rarely refers back to the origins and primitive aims of working-class organization. It often fails, moreover, to perceive the real, if undeclared, intention of some of its most significant developments. Revolutionary objectives are often attributed to the Trade Unions which are not within the compass of their philosophy and are contradicted by their history. Much propaganda from the extreme Left has proceeded upon the belief that in the dynamics of revolution the Unions must supply the principal driving force. In orthodox Socialist theory, on the other hand, the Unions are generally assigned a more passive rôle : their part in the Social Revolution, for this school of thought, is to afford a foundation in mass organization of the workers for the con-

Trade Unions Fight—For What?

quest of political power, and to furnish the funds which the workers' political party must have to finance its effort to win a parliamentary majority and to create a legal and constitutional basis for the Socialist Commonwealth. But between those who assign to the Trade Unions an active rôle in social revolution, and those who instil into them a temper of social passivity, the Unions themselves have not considered it their obligation to choose.

There have been times when a heightened sense of their power has disposed the Unions to disdain political methods and to look for the accomplishment of their aims by direct action. Syndicalism has seemed to nourish an anti-political complex, and the Socialism of parliamentary parties has been recalcitrant to every manifestation of an independent initiative in the Trade Unions. The organized workers have been exhorted to wait until they have obtained, through their political party, the control of a parliamentary majority, and to leave it to their party to lay the foundations of the Socialist Commonwealth in Acts of Parliament, without worrying too much about the position in which the Unions may be placed when this transformation is achieved. Discussion of the nature and extent of the

Trade Unions Discover Their Mission

responsibilities which will devolve upon the Trade Unions when industry is socialized has not been carried very far ; but so far as it has gone it has revealed among Socialists of the parliamentary tendency some impatience with the instinctive refusal of the Trade Unions to “ wait and see ”.

Criticism of the trend in the legislative experiments which have placed such publicly owned and semi-socialized enterprises as the Central Electricity Supply undertakings, the London Passenger Transport services, or the British Broadcasting system, in the hands of Boards with autonomous powers of control and administration can hardly be said to have received a cordial welcome from parliamentary Socialists when it came from the Trade Unions. Trade unionists have not quarrelled with the objects aimed at in the creation of such bodies as the Central Electricity Board, the London Passenger Transport Board and the British Broadcasting Corporation. With Mr. Herbert Morrison's definition ¹ of the objects sought in the creation of Public Corporations in which “ public ownership, public accountability, and business management ” are combined for public ends, trade unionists do not take issue :

¹ In his *Socialization and Transport*, 1933.

Trade Union Fight—For What?

they resent and distrust, more than most, bureaucratic methods of conducting State enterprises by Government Departments staffed with permanent Civil Servants. Nor have they taken strong exception to the legislative policy which leaves these bodies practically beyond the control of Parliament, in any effective sense, and makes it almost impossible to bring their real managers to account in parliamentary debate.

What trade unionists disliked most in these developments of Socialist theory and practice was the omission to recognize that the Trade Unions are affected by them ; that their practice of collective bargaining, as carried on with employers in privately-owned industry, may be compromised if different methods had to be adopted in negotiating Trade Union agreements with such public bodies ; and that there is such a factor as Trade Union representation in the constitution of these bodies which had not been fully considered. It is on record that the General Council of the Trade Union Congress felt it necessary to secure fuller recognition of the Trade Union standpoint in relation to these new forms of public ownership and control of industry. Discussions were set on foot in 1932-3 within

Trade Unions Discover Their Mission

the councils of the Labour Movement which produced a joint memorandum on the subject. It was made clear in this document¹ that the Trade Unions strongly desired to be assured, by statute, of an adequate place on the Board of Management responsible for the general control and direction of each socialized industry or service. The memorandum stated "the claim of organized Labour that it shall have its place in the control and direction of publicly-owned industries". It added that this claim was accepted by the Labour Party.

Implicit in this quite recent controversy is the conflict of ideas within the working-class movement about the rôle of the Trade Unions in the achievement of Socialism. Are the Unions in any intelligible sense an engine of Social Revolution? Are they only the product of the capitalist order, doomed to pass from the scene when capitalist industry is transformed into socialized service? Have they any other function than the protection of the wage-earners against capitalist exploitation and the securing of higher standards of life for the working people, including particularly a larger share of the proceeds of industry in higher wages and better conditions of employment?

¹ *TUC Report*, 1933, page 210.

Trade Union Fight—For What?

Will there be assigned to them, or will they obtain for themselves in the transition to Socialism, any other function than that of defence? Have they a constructive contribution to make in the development and guidance of the productive forces? Have they any claim, founded upon either their practice or theory, to form part of a completely integrated economic structure of a free society? In what way and in what direction have they moved or will move to bring economic democracy abreast of the developments in political democracy which they have themselves been the principal instrument in bringing about?

Such questions are not briefly answered. An empirical and pragmatic answer is offered in the development of Trade Union relations described in the preceding chapters. But these illustrations of the fact that the Trade Unions have greatly widened their sphere of activity, that their co-operation has been accepted, and that in the exercise of their influence and authority they have undertaken novel responsibilities, leave some of these questions unanswered. Yet answers there are to all of them. They refer back to the origins of Trade Unionism, to the historical manifestations of the principle of free association which the

Trade Unions Discover Their Mission

deep insight of Peter Kropotkin, for example, perceived to have the force of a natural law.

II. ASSOCIATED LABOUR IN PRODUCTION.

Although Trade Unions developed their present form and methods under capitalist conditions, they are not peculiarly the product of the capitalist order in industry. Voluntary associations existed among the producing classes before capitalism called into existence the Trade Unions as we know them to-day. The pragmatic temper and empirical methods of the Unions are the product of their environment, rather than the expression of their view of the purposes they exist to serve. Very early in their history the Unions avowed an ultimate objective in the control of production which the organization of the producing class is even yet not sufficiently advanced to secure for them.

Thus Trade Unionism was linked with the Co-operative Movement in the mind of Robert Owen and his followers as the means by which the producing class could establish control over production: the system of mutual trading, paying a dividend to its participants, was conceived as a method by which organized groups of producers could accumulate capital which

Trade Unions Fight—For What?

could be used to put tradesmen and craftsmen belonging to the group into production on behalf of the group—the tailor, the shoemaker, the baker, butcher and candlestick-maker to be enabled each in his turn to produce for the group as the profits on their mutual trading provided capital. It was not the original intention of the small co-operative societies which arose as a movement parallel to Trade Unionism, to distribute the proceeds of mutual trading in individual cash dividends to the members. Rather the idea was to accumulate them as savings and employ them in production to supply the needs of the group. How Trade Union functions, policy and structure might have developed had the original simplicity of this strategy for placing an organized producing class in control of production been steadfastly pursued is an unprofitable line of discussion. It would in any case lead away from the main theme. It is cited as only one illustration of the force of the associative principle, and of the direction in which the Trade Unions faced when they considered their own future and their relations with the productive system.

Perhaps the best example that history offers of the working of the associative principle is

Trade Unions Discover Their Mission

furnished by the gild organization of trade and industry in the Middle Ages.¹ Its existence was bound up with municipal self-government. Over a long period of time when the conception of a national State was slowly taking shape, the authority of the central Government barely touched the economic sphere. Economic life was in the control of the towns and villages. The way in which the municipal authority was exercised in the control of production displays even more completely than in the matter of trade the impulse to corporate action. In mediæval England citizenship came to be practically identified with membership of one or other of the voluntarily organized associations in which the economic privileges of the towns were vested. No merchant or craftsman who had not been properly admitted to one of these bodies could carry on an occupation within the town limits or exercise any of the rights of citizenship. The town's governing council was composed at least in part of the elected representatives of the mercantile and industrial gilds. In the later evolution of the system the distinction between the "community of the gild" and the "community of the town"

¹ W. J. Ashley, *Economic History*, Vol. I, Part II. E. Lipson, *Economic History of England*, Vol. I: Middle Ages.

Trade Unions Fight—For What?

disappeared almost entirely in a fusion of the civic body's authority with that of the guilds.

The temptation is strong to explore the ramifications of the guild system and to examine its characteristics as a method, pursued through long ages, of regulating labour, organizing production and conducting trade. It embodied so powerful an impulse towards mutual association as to become well-nigh universal. It covered not only the merchant community and the crafts : there were organized " misteries " among labourers whose occupation could not be called skilled, and among persons who could not be identified as artisans or traders at all : for instance, parish clerks.¹ Admittedly, it was not a perfect system. It did not resolve the class conflict arising out of economic and social inequality. As a system of control it fettered freedom of enterprise and individual initiative. Its restrictions, though they protected the interests of those within, worked to the detriment of those without. But it was a potent force of social evolution. It represented an all but successful attempt to establish society on a basis of mutual association in control of the productive forces. And it was violently uprooted : it did not wither away.

¹ W. J. Ashley, *loc. cit.*, p. 75.

Trade Unions Discover Their Mission

III. WHEN FREEDOM WAS LOST.

It came into conflict with and succumbed to the authoritarian State ! So Kropotkin at any rate interpreted the supersession of the gild system. For three centuries, both on the Continent and in these islands (he wrote) every institution in which the mutual-aid tendency formerly found expression was systematically weeded out :

The village communities were bereft of their folk-motes, their courts and independent administration ; their lands were confiscated. The guilds were spoliated of their possessions and liberties, and placed under the control, the fancy, and the bribery of the State's officials. The cities were divested of their sovereignty, and the very springs of their inner life—the folk-mote, the elected justices, and administration, the sovereign parish and the sovereign guild were annihilated ; the State's functionary took possession of every link of what was formerly an organic whole. Under that fatal policy and the wars it engendered, whole regions, once populous and wealthy, were laid bare ; rich cities became insignificant boroughs ; the very roads which connected them with other cities became impracticable. Industry, art and knowledge fell into decay. Political education, science and law were rendered subservient to the idea of State centralization. It was taught in the Universities and from the pulpit that the institutions in which men formerly used to embody their needs of mutual support could not be tolerated in a properly organized State ; that the State alone

Trade Unions Fight—For What?

could represent the bonds of union between its subjects ; that federalism and “ particularism ” were the enemies of progress, and the State was the only proper initiator of further development. By the end of the last century the kings on the Continent, the Parliament in these isles, and the revolutionary Convention in France, although they were at war with each other, agreed in asserting that no separate unions between citizens must exist within the State : that hard labour and death were the only suitable punishments to workers who dared to enter into “ coalitions ”. “ No state within the State ! ” The State alone, and the State’s Church, must take care of matters of general interest, while subjects must represent loose aggregations of individuals, connected by no particular bonds, bound to appeal to the Government each time they feel a common need. Up to the middle of the nineteenth century this was the theory and practice of Europe. Even commercial and industrial societies were looked at with suspicion. As to the workers, their unions were treated as unlawful almost within our own lifetime in this country and within the last twenty years¹ on the Continent. The whole system of our State education was such that up to the present time, even in this country, a notable portion of society would treat as a revolutionary measure the concession of such rights as everyone, freeman or serf, exercised five hundred years ago in the village folk-mote, the guild, the parish, and the city.

This passionate protest against the destruction of a great apparatus of free association in

¹ Kropotkin, *Mutual Aid*, Chapter VII (written at the close of the nineteenth century).

Trade Unions Discover Their Mission

self-government rings more resonantly to-day than when the passage was written. For we have seen in the rise of Totalitarian Dictatorship a monstrous growth of State authority, extending much farther afield. It does not presume only to repress the spontaneous initiative of the individual citizen and to root out every voluntary organization in which men can combine for mutual aid and support in efforts to win more freedom : it dares to attempt to control thought as well as action : it has actually forbidden people to think “ dangerous ” thoughts or to apply “ the probe of personal opinion ” to any activity of the regime. Against this a profound recoil of the human mind can be seen or felt in criticism even of classic Socialistic doctrine.¹

IV. ERRORS OF PRACTICAL SOCIALISM.

The conviction that something has gone wrong with “ practical ” or “ constructive ” Socialism, that it has missed the path to freedom and taken the path that leads to the authoritarian State, finds its most significant expression, perhaps, in the reaction of such a person as Léon Trotsky to the concrete results

¹ In the writings, for example, of Herbert Read, notably his *Poetry and Anarchism*, and his most recent essay, *The Philosophy of Anarchism*.

Trade Unions Fight—For What?

of the Bolshevik revolution. From an opposite standpoint ¹ Trotsky reached in exile pretty much the same conclusion as Herbert Read. Marxist Socialism, in the latter's interpretation, translated the basic idea of political absolutism, inherent in Marx's theory of history, into economic absolutism, and thus led to the fatalistic social conception which sees in every new phase of capitalist imperialism an essential stage on the road to Socialism. Marx entirely failed to see that each new phase of this development tended immeasurably to extend the sphere of influence of the modern State, with its economic monopoly, and thereby rendered ever more difficult the attainment of freedom. Instead of resisting this tendency, Socialists with incredible shortsightedness, declares Herbert Read, combated the Liberal forces which struck at political absolutism and sought to reduce the power of the State to a minimum : thereby modern Socialists gave a new lease of life to the fatalistic faith in the almighty State. Authoritarian Socialism thus paved the way to the Fascist conception of the Totalitarian State.

¹ Attentive readers will probably appreciate the reason for bracketing a hard-boiled professional revolutionary like Trotsky with an expositor of philosophical anarchism like Herbert Read.

Trade Unions Discover Their Mission

So reasons Herbert Read. Trotsky, approaching the question from the Marxist standpoint, perceived clearly enough that between its starting-point in proletarian revolution and its goal in proletarian freedom Bolshevism has missed its way: it destroyed the Tsarist tyranny completely and irrevocably, only to see it replaced by a far more ruthless tyranny. Soviet bureaucracy exercises over the liberated people in the classless society a more absolute authority than Tsarist Russia ever knew. When Lenin rose at the second Congress of Soviets in the Smolny Institute on November 8, 1917, and, gripping the edge of the reading desk, waited for the ovation to die down before announcing casually: "We shall now proceed to construct the Socialist order"—he assuredly did not intend this result. Lenin's idea, as Trotsky explained it nearly a score of years later,¹ was that after the overthrow of the exploiting classes the proletariat would shatter the old bureaucratic machine and create its own apparatus of administration out of employees and workers. "The proletariat needs a State," wrote Lenin only two months before the Bolsheviks seized power in 1917—"that is all the opportunists can tell

¹ In *Revolution Betrayed*, Chapter III.

Trade Unions Fight—For What?

you ; but they forget to add that the proletariat needs only a dying State, that is, a State constructed in such a way that it immediately begins to die away and cannot help dying away.” The proletariat will take its own measures against revolutionary dictatorship turning into permanent tyranny. It will take its own measures against the administrative personnel being transformed into a ruling caste : measures which were set forth in detail by Marx and Engels. With these measures—which he specified—Lenin is quoted by Trotsky as saying the proletarian revolution must *begin*. Proletarian dictatorship will cease from its very beginning, or should cease, to be a “ State ” in the old sense—that is, a special apparatus for holding the mass of the people in subjection. But, however you may interpret the nature of the present Soviet State, observes Trotsky bitterly, “ one thing is indubitable : at the end of its second decade of existence, it has not only not died away, has not begun to ‘ die away ’. Worse than that, it has grown into a hitherto unheard-of apparatus of compulsion. . . .”¹

Trotsky’s explanation of this phenomenon is interesting, but not at this point relevant.

¹ Trotsky, *loc. cit.*, p. 51.

Trade Unions Discover Their Mission

It proceeds upon the Marxist theory that the historic task of capitalism is to improve, develop and concentrate the means of production and distribution and thus to create a system of co-operative production. Capitalism becomes ripe for supersession when instead of improving, developing and concentrating production and distribution it begins to restrict its own productivity. But this supersession cannot even then be effected unless economic organs have evolved which are capable of taking over the productive forces of society without impairing the standards of production and impoverishing everybody. That is where, in Marxist theory, the Trade Unions enter upon the scene.

Marx himself, although he framed his general theory when Trade Unions were only an embryonic form of organization just beginning to emerge from primitive mutual aid societies, held a quite decided view of their place in the class struggle. To the first Congress of the International Working-men's Association, in 1866, Marx presented a report on *Trade Unions: Past, Present and Future*, which recognized that they, like the Co-operative societies, had their part to play. Whereas the Co-operatives furnished practical

Trade Unions Fight—For What?

proof of the possibility of replacing the system in which labour is subordinated to capital, by a system of association among free and equal producers, the Trade Unions are properly, Marx considered, the organizing centres of the working class, in the same way as the mediæval municipalities and communes and guilds taught and trained the bourgeoisie in its struggle against feudalism. The Unions, therefore, Marx insisted, must not only carry on the daily struggle against capitalist exploitation: they are instruments for transforming the system of wage labour and for overthrowing the dictatorship of capital.¹

V. REAL MISSION OF TRADE UNIONISM.

It can be admitted that the Trade Unions have never consciously practised this function. But it conforms much more closely to the laws of organic growth that have governed their development than the conception of revolutionary methods which assigns to the Unions the task of organizing social insurrection. That certainly is not their historic mission. There are many theories of revolutionary

¹ Report to the International Working-men's Association, Geneva, 1866. Quoted by Stekloff, *The First International*, p. 84.

Trade Unions Discover Their Mission

dynamics, ranging from the theory that historical movements are determined by the action of dominant minorities which runs through the writings of Socialists like Fourier, Blanqui and Marx, of anarchists like Kropotkin and historians like Taine, through Pareto's theory of "the élite" and Mosca's explanation of the way in which a ruling class is created and preserved, to Sorokin's theory of "fluctuations" which presents the historical process as a variable recurrent pattern but does not assume that it must always proceed along a straight line, or spirally, or in cycles, or in any other single direction. But there is no sensible or coherent theory of Social Revolution—not excepting the notion of revolutionary Syndicalism that the stoppage of all important industries and services by a general strike would bring about the instant collapse of the capitalist system—which is calculated to tempt the Trade Unions to leave the path they have chosen to pursue.

On that path, the most instructive development of Trade Unionism has been the assumption by the Unions of responsibility in the administration of industry and management of the productive forces. Such responsibilities as the British Trade Unions have

Trade Unions Fight—For What?

undertaken in this direction, as set forth in preceding chapters, are timid and tentative exercises of authority in comparison with what Trade Unions have undertaken to do under revolutionary conditions in some other countries. In the collectivized economy of Republican Spain, especially in Catalonia, and in Mexico, entire industries and services passed into the control of the Unions.¹ And

¹ Herbert Read, in *The Philosophy of Anarchism*, cites (p. 28) some of them, including the textile industry of Alcoy, the wood industry in Cuenca, and the transport system in Barcelona, and follows the citation with a statement of the general principle underlying the Syndicalist proposals for the organization of production and distribution which clarifies the idea which is slowly coming into view. "The general principle (he writes) is clear : each industry forms itself into a federation of self-governing collectives ; the control of each industry is wholly in the hands of the workers in that industry, and these collectives administer the whole economic life of the country. That there will be something in the nature of a parliament of industry to adjust mutual relations between the various collectives and to decide on general questions of policy goes without saying, but this parliament will be in no sense an administrative or executive body. It will form a kind of industrial diplomatic service, adjusting relations and preserving peace, but possessing no legislative powers and no privileged status. There might also be a corresponding body to represent the interests of the consumers, and to arrange questions of price and distribution with the collectives."

Such a pattern of economic organization actually took definite shape in Republican Spain, notwithstanding the conditions of emergency arising in the Civil War. It existed, in fact, before the Civil War began. It lies beyond the compass of a footnote to inquire whether the Rightist reaction which found its military instrument in General Franco was engineered with the deliberate intention of extirpating the collectivized economy and driving the Unions out of this field.

Trade Unions Discover Their Mission

if it should be objected that these are merely eccentricities and extravagances of revolution in economically backward countries, we might turn to much more sober and cautious manifestations of the trend towards industrial democracy in an advanced capitalist country like the United States.

We might cite, for example, the "Plumb Plan" for the complete democratization of the American transportation system, which was accepted by the great Railroad Brotherhoods and endorsed by the 1921 Convention of the American Federation of Labor. Its essential feature was that the Unions must share the control and management of the national railroads, and that the gains of the service must be equitably distributed as between those who invested their labour and those who invested capital in the enterprise. Or we might cite, as evidence of the same strong impulse in the Trade Unions towards acceptance of responsibilities for management, the rise of the Labour Banking movement among the American Unions after the last war. This was not an accidental or aberrant tendency, though it came to be acknowledged as an abortive one: it was a product of the post-war attitude of organized Labour towards

Trade Unions Fight—For What?

the problems of industrial management : it expressed the desire of organized Labour to participate more fully in the economic life of the nation and to accept responsibilities of management and control.¹

Before the last war, Sidney Hillman pointed out, the policy of organized Labour was to exercise its power in a negative manner. Its aim was to protect the members of the organizations against exploitation by employers. This aim of the Labour Movement was specifically stated in the formula—“ a fair day’s wage for a fair day’s work ” :

Since the War [Mr. Hillman said] there can be detected a definite and fundamental change in the point of view of labor. Although this change may not even to-day be recognized by many who are in the labor movement no one can question its reality. Organized labor in the United States exhibits a growing tendency to become a positive and constructive force. Labor is looking beyond the formula—“ a fair day’s wage for a fair day’s work ”. It is looking for a way in which to assert itself and to use its economic power to its advantage. Within the

¹ So stated by Sidney Hillman, President of the Amalgamated Clothing Workers of America, in an address on “ The Labor Banking Movement in the United States ” delivered in 1925 to the Academy of Political Science, New York City. It is not without relevance that Sidney Hillman has been assigned much the same task by President Roosevelt in the organization of American industry for national defence as Mr. Ernest Bevin assumed in the British Government.

Trade Unions Discover Their Mission

past few years labor organizations have shown some inclination to share in the responsibilities of management. There was a time when the average labor Union was fearful of accepting any responsibility for the management of industry. It then held the point of view that management was no concern of organized labor ; and that if an industry could not survive, then that industry could go out of business. Today the attitude is different. It is now becoming recognized that labor, being an essential part of industry, must accept responsibilities. . . . Such appear to me to be the significant roots of the labor banking movement.

To such statements of Trade Union policy, we might add the Guild-Socialist experiments in England and the schemes for Union-Management co-operation, employee representation and industrial co-partnership in post-war America. Some remarkable attempts were made to achieve that "genuine democratization of industry based upon a full recognition of those who work, to participate in some organic way in any decisions which directly affect their welfare", of which President Woodrow Wilson spoke in an address to the United States Congress in 1919.¹ In many instances, however, these experiments were

¹ Quoted by Prof. W. Jett Lauck in *Political and Industrial Democracy : 1776-1926*, who assembled many examples of this interesting movement in American industry.

Trade Unions Fight—For What?

inspired by the wish of employers to counteract the growth of Trade Unionism among their employees. They degenerated far too easily into "company unionism". The "definite independent organization of employees" which Professor Jett Lauck declared to be an essential preliminary to co-operative industrial democracy was an ingredient conspicuously missing from nearly all these plans. In only one of the schemes expounded by Professor Jett Lauck was the Trade Union frankly and fully accepted by the employer as partner in the plan.

"Without Unions industrial democracy is unthinkable," wrote Walter Lippmann in a 1914 diagnosis of industrial unrest: "For only through the Union can the wage-earner participate in the control of industry, and only through the Union can he obtain the discipline needed for self-government." American employers missed that point in their employee-representation schemes of the post-war years. Perhaps it was just as well: for whilst Union-Management co-operation may be a half-way house on the road to economic democracy, the control of production by the organized producers is not likely to come as a gift from the capitalist and employing class.

Trade Unions Discover Their Mission

Freedom, that is to say, does not come as a gift from above: it is won by effort and aspiration from below. Its boundaries are advanced wherever any province of human activity is wrested from irresponsible or arbitrary authority and is taken over by free-acting, self-governing and self-disciplined organized groups. The makers of Liberal constitutions recognized this when they designed elaborate and ingenious "checks and balances" to control and delimit the action of the various organs of the State. They were concerned to define the widest possible areas of individual freedom by prescribing the limits within which State authority might be exercised, by constructing a balance of ruling powers within the State, and by ordaining that government of the people must be the rule of law and not of men.

Bourgeois democracy guaranteed human and civil rights to every citizen by providing legal security against arbitrary action of the State. It guaranteed moreover freedom of thought and discussion by insisting upon the maximum tolerance by the State of conflicting political and religious opinions. If the bourgeoisie now seek to sabotage these guarantees and fly for shelter to the Nazi-Fascist Dictatorship,

Trade Unions Fight—For What?

there must be a reason for it. The reason alleged in these pages is that capitalism is fighting in the last ditch, with all the powers of the State, to save itself, and does not perceive that its substance is being stolen by the all-devouring State—the very agency it has invoked to protect it.

But there must be a reason, too, for the strong, persistent and instinctive impulse of the working-class towards combination, self-government and freedom. Association for mutual aid is a permanent human instinct. It operates nowhere so powerfully as among the working-class : for it is a function of freedom as well as a method of defence. In whatever state of society men toil and suffer together, their instinct is to associate. Voluntary combinations of working people came into existence under the slave economy of past ages, and under the feudal economy, as under capitalism. Such unions, guilds and fraternities flourished in antiquity as they do now in modern times. Traces of these voluntary associations have been found by historians all over Asia Minor and in Europe under Roman rule, and long before the Christian era. There was a guild of Temple masons in Old Testament days, and in the Temple the crafts and trades had

Trade Unions Discover Their Mission

appointed seats ; in the Hebrew society in Palestine some productive activities were a gild monopoly—for instance, the baking of the holy bread for religious worship. There was a travelling fraternity of craftsmen who went about the country to repair and renew the rude implements of Hebrew agriculture. In the walled towns, whole streets were occupied by organized trades.

Within the Roman Empire, Unions were numerous, widespread and at times militant. The single popular demonstration of unmistakable economic origin mentioned in the New Testament was a riot instigated by the gild-master of the silversmiths, when the manufacture of metal idols and statuettes was injured by the Christian propaganda and worship of an invisible God. Slaves as well as freedmen had their gild organization, their mutual benefit societies, and were in possession of communal property—if only a tract of burial ground ; burial benefit and a regular feast being the principal benefits for which the members of these friendly societies paid contributions. Regular lodge meetings were held by these associations. They had their president, secretary and officers. It has been shown that the primitive Christian societies

Trade Unions Fight—For What?

were organized on the same basis : the very titles of the ecclesiastical hierarchy in the Roman Catholic Church are the titles borne by the officers of these secular gilds, associations and fraternities.

So numerous and influential did the voluntary organizations become among the working people under Roman rule that one of the first edicts of Julius Cæsar, when he became Emperor of Rome, was aimed at them. He decreed their restriction, as the Emperor Trajan did a hundred years later, because he feared that they were becoming centres of political disaffection. Trajan refused to allow a Union of firemen to be formed in Rome. The Roman gilds of street-porters, watermen and slaves, were akin to the Union of raftsmen at Geneva, the wool-carders at Ephesus, the litter-bearers of a remote colony in Wallachia and the shoemakers of a market town in Spain. They had their banners and emblems like the modern Trade Unions.

Whether the mediæval gilds and fraternities descended directly from the ancient sodalities is as meaningless a question as the disputed historical connection between the gilds and the modern Trade Unions. No unbroken descent can be traced for any Trade Union

Trade Unions Discover Their Mission

back to a gild, in the way that a modern working-class organization like the Amalgamated Engineering Union can trace its history back through successive amalgamations of Unions with records extending still farther back. There is no need to try to establish such a continuity: what is infinitely more important is the evidence that in antiquity as in the Middle Ages and in modern times the working people sought refuge against the tyranny of their rulers in voluntary combinations of the most diverse description and drew from them the strength to resist encroachments upon their freedom by the authoritarian State.

There must be some meaning in the spontaneity of the impulse which taught the working people to entrench themselves in these forms of association, for mutual aid and to support one another in organized ways against oppression. Within their class organizations the workers have made a clear space in which to practise self-government, to maintain their independence and to extend the range of their free activity. But the fact of capital importance, attested by history, is that the workers' fraternities are not their last entrenchment but their fortified base in the struggle for social and economic freedom.

Trade Unions Fight—For What?

It is to this base that the workers have always returned when their hope of a purely political deliverance has been frustrated. So they went back to their industrial base after the Whig Reform agitation produced the Act of 1832, which admitted their middle-class allies to political power but left the workers still disfranchized. So again, after the Chartist agitation produced the Reform Act of 1867, the workers turned instinctively to the strengthening of their industrial organization; and still later, after the Reform Act of 1884, and after the final extension of the parliamentary franchise in the Representation of the People Act of 1918, Trade Union developments of profound significance were initiated. It is more than an historical accident that the dates of these Acts are also the dates which mark vitally important stages in the building up of a more powerful and better co-ordinated Trade Union movement. The rise of great national Unions after 1832, the creation of the Trades Union Congress in 1868, the emergence of the New Unionism after 1884, the regeneration of the T.U.C. and the establishment of its General Council after 1918—these are more than coincidental phases of the political and industrial struggle of the British working-class.

Trade Unions Discover Their Mission

Behind this historical movement an elemental force has been seeking to find an outlet in creative achievement. A subconscious instinct has guided the Trade Unions in adapting themselves to the growth of society's productive powers, a subconscious certitude that society will at last be really free when those powers have passed in their entirety from the possession of the capitalist class to the control of the organized producers. The capacity of the Trade Unions to assume these responsibilities is not to be judged by the failure of such experiments in industrial self-government as the Guild Socialists attempted in the English building trades ; or by the abortive efforts of the American Unions to finance self-governing industrial enterprises through the labour banking movement ; or by the non-success of the Trade Unions to manage the collectivized economy of Spain ; or by the present inability of the Mexican Trade Unions to solve the practical problems of administration when the oilfields and the railway service were entrusted to them by the Cardenas Government.

These experiments contain a lesson. It is a lesson that Socialists of the Trade Union tendency as well as Socialists of the authoritarian school have yet to understand and

Trade Unions Fight—For What?

profit by—that a planned collectivist economy can be established only upon the foundation of a superior technique of production. Only if the productivity of labour is enhanced in socialized industry, in obedience to higher incentives than the system of wage labour invokes, will the conflict of interests which capitalism in its final authoritarian form cannot subdue, be wholly resolved. If, to borrow Trotsky's whimsical illustration, cows are socialized and there are not enough cows or if their mammary distension is meagre, then conflicts arise out of the inadequate supply of milk—conflicts between city and country, between collective and individual peasants, between different strata of the proletariat, between the whole toiling mass and the bureaucracy. But if the Trade Unions bring into socialized industry the higher incentives of loyalty, solidarity and self-discipline upon which their own very existence depends, the contradictions and antagonisms which rend capitalist society asunder will assuredly be overcome: the productivity of industry will not sink, and want will not be generalized—and the working people in and through their Unions will have freed themselves.

